foundations, and various other community service entities in our State, as well as across this country, that try to make America and Michigan better places to live and better places to raise families.

In any event, Mr. President, Max Fisher has led a great life, and he has contributed much during that life to all of us, and to his nation in particular. So I wish to pay tribute to him on the event of his 90th birthday and also to pay tribute to him for the many things he has done to advance us, whether it is in the political arena, the business arena, the charitable arena, or a variety of others. Unfortunately, because of our schedule, I will not be able to participate in the events this evening that will commemorate his birthday. I know that I speak for a number of our colleagues, who have friendships with Max, in sending him, on all of our behalf, warm congratulations on this important event.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. Under whose time is the quorum call?

Mr. ABRAHAM. Mr. President, I yield it on the basis of the time that has been yielded under the previous quorum call.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Parliamentary inquiry: Does the order provide for a quorum call?

The PRESIDING OFFICER. The unanimous consent agreement called for the time to be counted equally against each side.

Mr. BUMPERS. I ask unanimous consent, with the permission of the Senator from Michigan, to divide the time of the quorum call between the two parties, the proponents and the opponents.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I thank the Chair.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The Senate continued with the consideration of the bill.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I also ask unanimous consent that Dan Weiner, who is an intern in my office, be allowed to be in the Chamber during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I thank the Chair.

AMENDMENT NO. 3146

Mr. President, I ask unanimous consent that a letter from Wally Sparby, who is the State executive director of the Minnesota Farm Service Agency be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE, FARM SERVICE AGENCY, MINNESOTA STATE OFFICE,
St. Paul, MN, June 30, 1998.

DAN GLICKMAN,
Secretary, U.S. Department of Agriculture, Washington, DC.

DEAR SECRETARY GLICKMAN: Please find attached copies of letters received from several County Committees requesting that CCC commodity loans be extended. The Minnesota State FSA Committee is also requesting your assistance and support. Minnesota producers are facing an economic crisis and conditions will continue to deteriorate without assistance.

Market rates have dropped drastically. The last week of June 1995 producers were receiving an average market price of $2.50 for corn. In the last week of June 1996 corn markets were averaging $4.50 and in 1998 the corn price has dropped to an average $1.92 per bushel. The same is true of wheat. The last week of June 1995 the average market price was $4.50 per bushel; in 1996 the average was $5.60 per bushel and in 1998 the price has dropped to an average of $3.25 per bushel. Producers have no control over market prices and the Federal Agriculture Improvement and Reform Act of 1996 and limited the marketing tool provided by the CCC commodity loan program.

Due in part to Minnesota's geographic location, transportation can be a major problem. Elevators are indicating there will be a shortage of transportation and storage this fall. As of June 29 there were 13.4 million bushels of wheat, 153.9 million bushels of corn, 31.3 million bushels of soybeans, and 3 million bushels of barely under CCC loan. There are also oats, flaxeed, sunflowers and canola under CCC loan in Minnesota. Of that total 191.2 million bushels and cwt. will mature between July 31, 1998 and December 31, 1998. CCC is already taking delivery of barley and we believe other grains will follow when loans mature. Elevators have indicated that they will be unable to take delivery of grain when the 1998 harvest begins. Harvest will coincide with loan maturity dates creating a major storage problem.

The CCC Commodity Loan Program is a marketing tool. Historically CCC commodity loans have provided producers with a chance to market their grain while obtaining capital at a reasonable interest rate. Prior to two years ago loans could be extended during periods of market downturns thus providing producers the flexibility to store their grain until the markets improve. Programs also provided for interest forgiveness and storage payments during market downturns.

Extension of CCC loans will only help producers if storage is available, if interest does not continue to accrue of the loans and if there is some type of income to sustain producers until the markets improve. We are proposing and asking for support of a farm storage facility loan program and the extension of CCC commodity loans. To provide a safety net we propose that when market rates reach a certain low that producers be paid storage and that interest stop accruing on CCC commodity loans. A summary of our proposal is attached.

We are also asking for full support of the proposal to remove the ''cap'' on corn and wheat loans. The Federal Agriculture Improvement and Reform Act of 1996 which ''capped'' the loan rate has resulted in loan rates below the five year average (dropping the high and low years). Historically local market have followed the CCC loan rate. It has only been in the past couple of years that has not been true. Higher loan rates would influence an improved market price for commodities.

We believe that in many cases these changes could mean the difference between the continuation of the family farm and liquidation.

We appreciate your consideration.

Sincerely,

WALLY SPARBY,
State Executive Director,
Minnesota Farm Service Agency.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I speak in favor of this amendment introduced by Senator HARKIN and ask unanimous consent that if I am not already, I be included as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. This amendment will lift the cap on the farmer's marketing loan rate and extend the loan repayment period from 9 months to 15 months. That sounds very impersonal, to lift the cap on the loan rate and extend the repayment period, but I say to my colleagues—and I know my colleague from North Dakota, Senator DORGAN, will speak about this as well—this proposal goes to the heart of what we must do this week if we are to respond to the economic pain, and for that matter, the personal pain, of many farm families in our country.

I will be going to another farm crisis meeting in Granite Falls, MN, in western Minnesota, this Saturday. I am hoping and praying I can come back with a report that we have been able to take some action that will give farmers some hope—it is really a desperate situation.

Wally Sparby, who is the director of the Farm Service Agency in Minnesota, is predicting that on the current course—and we have to change the course—we could see about 20 percent of the farmers in serious trouble. That is a lot of farmers in the State of Minnesota. Agriculture is very important to my State. From 1996 to 1997, we saw about a 38-percent drop in farm income.

When I talk to farmers at gatherings, or when I am in cafes in Minnesota, I think the one thing they talk about more than anything else—and I imagine you hear the same thing in Arkansas—is price. That is really the key thing—a fair price in the marketplace. That is what farmers are asking for. They are saying, give us a fair shake.

Now, unfortunately, that is not what is happening, and I believe that one of the mistakes that was made in the 1996 Freedom to Farm Act, which I called then the ''Freedom to Fail Act''—and I wish I could be proven wrong, but unfortunately I think the evidence which is staring us in the face proves me right—while we gave farmers the flexibility in planting, which I am all for,

the problem is that the loan rate which sets the floor price is set at such a low level. Right now, the 1996 farm bill caps the price at an extremely low level artificially. The rate is $1.89 per bushel of corn and $2.58 for wheat. No one can cash-flow or stay in business at these prices.

Since market prices are now, in fact, nearly down to those levels for corn and for wheat, that is exactly why we have this crisis which we are calling an emergency. So far in Minnesota this year the average price for corn has been under $2 a bushel and it has been about $3.25 for wheat. In the wheat-producing parts of Minnesota, those low prices have combined with the bad weather and scab disease to create truly dire economic conditions.

What I want to say to colleagues, and what I want to say to people in our country is that right now $2 a bushel for corn and $3.25 for a bushel of wheat is way below the cost of production. Farmers cannot make it—nobody can make it—at these prices, unless you are a huge conglomerate that can weather low prices while family-sized farms get driven out, and then you can buy up that land. But for the Midwest and for other parts of the country as well—this is not just a regional issue—for all of us who value the family farm structure of agriculture where the people who farm the land live there and live in the community, this is a crisis all to be spelled out in capital letters.

What our farm policy used to be was that when the prices were good, you let the market pay the farmers. When the market wasn't so good, you would help stabilize income by holding the market price up. Freedom to Farm changed that. In other words, the loan rates gave the farmers some leverage vis-a-vis the huge grain companies because, if the prices were down, farmers just held on because they knew at least they would get this loan at this price. But, of course, the grain companies needed the grain so they would have to pay more. That set the price for the farmers.

Now, what we have done with this cap is we have set the loan rate at such a low level, the prices are plummeting, people cannot make it at these prices and therefore they are going under. This is a matter of elementary justice.

This amendment that I speak in behalf of lifts the cap on the loan rate. That means that the loan rate would rise to $2.25 for corn and $3.22 for wheat. This is still too low a price.

I see my colleague from North Dakota in the Chamber. If we at least do that, combined with extending the period that the farmers can hold on for another 6 months, extend the loan rate period, then I think we can begin to lift the market prices.

Now, I would like to raise the loan rate further, and Senator DORGAN and I may be back in the Chamber to talk about this later or to take action on this later. I think it should be something like at least $3 for corn and $4 for wheat, at least for a targeted level of production, which would be a family farm level of production.

But I want to make it crystal clear that at the very minimum what we have to do this week—this is very reasonable; this is a 1-year emergency—is take the cap off the loan rate to begin to get the prices going up, extending the period for the loan rate, making sure that there is some indemnity payment, some disaster relief for farmers that have been hit by this disaster of low prices, bad weather, scab disease. This is all targeted, all focused on a disaster in rural America, in agricultural America, and this for us, for those of us who come from the farm States, is a matter of huge importance. There is no more important amendment that we could be speaking for than this amendment.

Mr. President, I just want to speak to one argument that has been made on the floor, and that is the argument that trade is the answer. I am for trade. In fact, I wish we had fairer trade for agriculture. But I find it surprising that some so-called advocates for farmers are in a big hurry to grant fast track negotiating authority.

My question is, For what? If we export more bushels of corn, or more bushels of wheat, at a loss, how does that do the farmer any good? I say to my colleague from North Dakota, it is sort of confusing to me. If, in fact, the prices are so low that the farmers in our States are losing on every bushel of corn or every bushel of wheat they produce, how does it help them to produce more bushels of corn or more bushels of wheat? It makes no sense at all.

Mr. DORGAN. Will the Senator from Minnesota yield for a question?

Mr. WELLSTONE. I will be pleased to yield for a question.

Mr. DORGAN. I wonder if the Senator from Minnesota remembers a couple of years ago this Congress—or a Congress passed a new farm bill, one that I voted against and one he voted against. Do you remember, following the passage of the new farm bill, some of the large corporate agricultural interests were celebrating? They said, ''We won.'' The big corporate agricultural interests said they won. So they were having a big celebration.

It is not surprising, then, back when they were trying to push this kind of farm bill through, that those of us who voted against this farm bill said, ''You are pulling the safety net out from under family farmers.''

You have minimum wages for folks who work at the bottom of the economic scale in town. What they were trying to do 2 years ago, with the farm bill, is the same as saying to the minimum wage earners: Let's cut the minimum wage to a buck an hour and call it ''freedom to work.'' It would be the same thing on minimum wage: Let's cut it to a dollar an hour and call it ''freedom to work.''

What they said to farmers was: Let's pull your safety net out from under you and call it Freedom to Farm. What a bunch of baloney. Then prices collapsed, we have crop disease, we have disaster, we have family farmers going broke in record numbers, so many that we don't have enough auctioneers to handle the sales in North Dakota, and now we are back here a couple of years later and folks say, ''Gee, the farm bill is working just fine.'' It is not working just fine. This is not an accident. We don't have price supports that are sufficient.

I would say the amendment before us, offered by the minority leader, is the most modest of amendments. We ought to go, at a minimum, to $3.75 or $4 on a marketing loan, triggered to the first 20,000 bushels of wheat produced, so that you target some reasonable support to family farms and say, with that, that family farms matter, they have merit and worth and value in our society.

Does the Senator recall, a couple of years ago, the celebration by the corporate interests in agriculture over the passage of that farm bill?

Mr. WELLSTONE. Mr. President, in reply to my colleague from North Dakota, I also want to ask my colleague to focus his attention for a moment on the original United States-Canadian trade agreement superseded by NAFTA and ask him how well our wheat growers have fared by that agreement.

Those who are talking fast track without a fair trade agreement for farmers—I want to raise a question about that in a moment. But let me say to my colleague, the thing I find maddening right now—and I hope I am wrong—is that, yes, obviously, if the farmers don't have the leverage and they can't get the price, it is great for the grain companies; they get to buy from the farmers at record low prices. The problem is that I think a lot of colleagues are not willing to revisit this question. In other words, we voted for what was called Freedom to Farm. We set the loan rate at such a low level, the prices have plummeted, and what I worry about is that somehow this amendment becomes a referendum on Freedom to Farm. It is not.

For those colleagues, Democrats and Republicans alike, who supported the Freedom to Farm bill—fine; we can continue to agree or disagree. But for right now, given the fact that prices are way down, all we are saying in this amendment is, for 1 year, as an emergency measure, take the cap off so we can get the loan rate up, so we can get prices up. Combine that with indemnity payments and a couple of other measures, but in particular these two measures, and we can help get farm income up and enable people to stay on the land and not be driven off their land. That is what it is all about. In other words, time is not neutral. We are confronted with the fierce urgency of now.

I would say to colleagues, I am willing to debate trade policy. Personally, I don't think the United States-Canadian agreement has worked well at all

for our wheat farmers. Nor has NAFTA—it has been a terrible agreement, a terrible agreement. You can ask the farmers about that.

But above and beyond any debate about trade policy today, above and beyond the overall debate about the Freedom to Farm bill, let me just simply make this appeal to everybody who is out here. For right now, can't we at least reach some common agreement on some emergency measures that we can take? The fact of the matter is, you can export more bushels of corn and more bushels of wheat, but if the price is so low it is costing the farmers more to produce that bushel of corn than the farmer is getting for that bushel of corn or bushel of wheat, they go further and further in debt.

At least let's get the floor up. At least let's get the price up. At least let's get the disaster payments out there. If we do that, then we will have taken some action that will be concrete, will be real, and can make a difference. There is a lot more I would like to say about what I call the ''freedom to fail'' bill. I am a critic of it. I think it is a terrible piece of legislation. I said it then; I will say it now. It was great for the grain companies; it was terrible for the family farmers. It looked great when prices were up and transition payments were out there, but what goes up goes down, and now we have no way of stabilizing the situation for family farmers in this country.

This amendment goes a significant way toward stabilizing the situation, getting the prices up, enabling our farmers to get back on their feet to be able to cash-flow. Combine it with the disaster relief payments and we will have done something good.

I hope we will have support for this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I appreciate the thoughts expressed by the Senator from Minnesota. I want to follow on, just briefly, on the question of trade. It relates to this entire issue of how farmers are doing, because farmers are told by some: You go ahead and compete in the free marketplace. We will set you loose. Go ahead and compete in the free market.

Then farmers discover there is no free market. When they market up, the large grain trade firms have their fists around the neck of the body of a few firms that control all that. Four firms control most of the flour milling; four firms control most of the meat packing—you name it. I have shown the list out here. In every area where farmers market, there are four firms that control the majority of the processing.

With respect to trade—the Senator from Minnesota mentioned trade—farmers are told: You compete in the free market system.

Let me tell you just about the United States-Canadian situation. The vote on the United States-Canada Free Trade Agreement, when I was in the House of Representatives and on the Ways and Means Committee, was 34 to 1; 34 to 1. Guess who the ''1 '' was. Yes, that's me. It probably says one of a couple of things. It probably says I have no influence at all with the other 34 members. It may say that. They said to me, ''You are going to be the only one who votes against this. Gee, this must be a unanimous vote. We must have your vote. Everybody else in this committee is going to vote for this.''

I said, ''This is a terrible piece of legislation for this country. You are selling out American farmers with this trade agreement, and you know it. And I wouldn't vote for this in 100 years.'' And I didn't.

Let me tell you what has happened. We have a woman from North Dakota who marries a Canadian, and they go back to southwestern North Dakota for Thanksgiving. She decides, ''I am going to take some of that good hard red spring wheat that they produce in North Dakota—we produce in North Dakota, back to Canada, because I am going to crush it a little bit back there and bake some whole wheat bread.'' She loves to bake bread.

So they go back to Canada after their Thanksgiving break. She has a couple of grocery bags full of hard red spring wheat from North Dakota, so that when she gets back home she can bake a little bread. She gets to the Canadian border and she is told, ''Oh, we are sorry, you can't take that wheat into Canada. You can't take a couple of grocery sacks full of wheat into Canada.'' All the way to the border she meets semi-truckload after semi-truckload after semi-truckload of Canadian wheat coming south.

Or a man with a pickup truck, and just kernels of wheat in the back, is told you must sweep out the back of the pickup truck before you can enter Canada with kernels of wheat. So he sweeps the pickup truck box out. All the time he is sweeping, Canadian 18-wheel semi-truckloads of wheat are coming into this country. In fact, we even had an agreement with Canada at one point to provide some sort of reasonable limit, and they exceeded the limit last year by 25,000 semi-truckloads—25,000 semi-truckloads.

I went up to the border—I told my colleagues this many times before—with Earl Jensen, and we had a 10-year-old, orange, 2-ton truck with a few bushels of wheat on it. We almost had to use our windshield wipers to wipe away the grain splattering against our windshield on a windy day from Canadian 18-wheelers hauling all that flood of Canadian grain into our country.

Guess what? When Earl and I pulled up to the border, we were told, ''We're sorry, you can't get that American grain into Canada.''

Free trade? Who negotiated that kind of soft-headed, weak-kneed trade agreement do we have that refuse to stand up for this country's interest, that say to other countries, ''Yeah, you can close your borders to us and we will open our borders to you, and we will call it fair, and we will call it square''—what kind of a deal is that?

In this town, everybody talks about free trade, never wanting to talk about the details. The fact is, every one of our farmers in North Dakota and every one of the farmers in Minnesota, represented by Senator WELLSTONE, confront that problem every day, and it is unfair.

That grain comes flooding across our border, I am convinced unfairly subsidized, and we sent the Government Accounting Office up to the Canadian Wheat Board to audit their books and records, because we think they are dumping illegally in this country. Guess what they said? ''We are sorry, we have no intention of opening our books and records to you; scram, get out of here.'' So here we are.

Prices collapsed because of unfair trade and, yes, Canada is a major part of that. Prices collapsed for a dozen other reasons. Rampant crop disease devastates the quality of the crop, and then we have farm families who for 30 years have been turning that yard light off and on every morning as they get up to do chores, gas their tractor, go out and plant their seeds and hope they can raise a crop. And now they are told, ''Well, gee, we are sorry; we have free trade and a free market and if you can't make it in either, tough luck.''

The plain fact is, there is no free trade and there is no free market, and anybody who thinks about the details and the specifics knows it. We owe it to the farmers of this country in a range of areas, whether it is international trade or price supports or other areas to say we want to stand for the interest of family farmers.

Let me also say the Freedom to Farm bill was a bill that had a couple of propositions, one of which makes eminent good sense, and I support it, and that is, farmers ought to be able to choose to plant what they want to plant when they want to plant it. That makes sense to me, and I support that. But the other is to say we will now essentially withdraw price supports and tell farmers you operate in the free market, despite the fact the free market doesn't exist. That doesn't make any sense. If ever an example of throwing the baby out with the bathwater is appropriate, it is here.

We didn't need, in order to give farmers planning flexibility, to decide that price supports don't matter. Eighteen years ago, the target price for wheat was $4.38 a bushel, and the loan rate was $3.65 a bushel. In every other area, prices have gone up for input costs; in every other area dealing with other earners, minimum wages have been increased some. But the compensation for farmers has been substantially diminished in terms of support prices. It is as if to say the economic all-stars in this country don't matter. They work hard, they produce well, they produce the best quality food for the lowest

percent of disposable income anywhere on the face of the Earth, and they are told, ''By the way, the value of what you produce does not have worth.''

I said yesterday, and I say it again, because at least to me personally it is so perplexing and seems so Byzantine, this morning, as I speak, halfway around the globe, we are told there are old women climbing trees in Sudan to forage for leaves to eat because they are near starvation. A million, a million and a quarter people are on the abyss of starvation. And then halfway around the globe, again, we are told those family farmers, who raise food in such abundant quantity and such good food, that what they produce doesn't have value and doesn't have worth.

The marketplace says to them—whatever this marketplace is—choked down on the top, choked from the bottom, choked on the sides by unfair trade by monopolies from railroads, to grain processors, to millers, you name it; they are telling the farmer in this distorted marketplace that what you produce doesn't have value. It costs you 5 bucks per bushel to produce; we will give you $3 for it. Want to lose $2 a bushel? That is fine. Lose your heritage, lose what your dad produced, lose what your grandad produced. And you go to these meetings and you find these folks who stand up at a meeting, as they have for me, and one sticks out in my mind—I have had many of them in recent weeks—a big, burly, husky kind of guy with a beard and with friendly eyes who said, ''You know, I have been a farmer all my life. I love farming. My grandad farmed. My dad farmed, and I have farmed for 23 years.'' He got tears in his eyes and his chin began to quiver as he said, ''But I have to quit. I can't make it. I can't raise grain at $5 a bushel or $4.50 a bushel and sell it at $3.50 a bushel and my lender says I can't get enough money to put in the next crop.''

When you see people like that begin to tear up and talk about what family farming means to them, then you understand this is not dollars and cents, this is not just some macroeconomic theory, this is something much more in this country.

Family farming has always meant much more than just dollars and cents. Thomas Jefferson described it, as I said yesterday, as the most important enterprise in America. His words were more eloquent than that, but that is what he said. What he meant was these people who dot the landscape in America, the broad-based economic ownership that comes with family farming contributes immensely to our country. I have said before, it contributes to the family values of our country. Family values have always originated on family farms and rolled through to our small towns, nourishing our small towns and our big cities.

There is much more here than just dollars and cents. I hope that as we begin these discussions we can remember this. At least the first amendment that we adopted yesterday says, yes, this Congress recognizes there is a crisis. In my State, family farmers have seen a 98-percent decrease in net income. Name anybody living anywhere, except the wealthiest among us, who could, at the end of a period where they have lost 98 percent of their income, stand and say, ''Well, I am doing just fine.'' Most everybody on every block in every community in every facet of life would be flat on their back losing 98 percent of their income, and we know that.

It is not different for family farmers. They are now flat on their backs facing collapsed prices, rampant crop disease and fundamentally unfair trade in every direction, markets that are captured and cornered and collapsed by a few companies, a few companies that control those markets.

It is one thing to say to farmers, ''It is a free market and free trade, and God bless you, and what happens.'' That is not, in my judgment, what this country ought to offer family farmers in terms of domestic policy.

(Mr. BURNS assumed the Chair.)

Mr. JOHNSON. Mr. President, may I direct a question to the Senator from North Dakota?

Mr. DORGAN. I will be happy to respond.

Mr. JOHNSON. As I understand the immediate amendment before the Senate having to do with marketing loans, it strikes me, and I wonder if the Senator shares this view, that we need to put this in some perspective. There are some who view this as a debate on Freedom to Farm, and certainly there are those of us who have widely and varied opinions on that underlying legislation. But the amendment that is pending, does the Senator agree, does not unravel or turn inside out or otherwise dispose of the Freedom to Farm legislation?

The amendment, as I see it before me, builds on what is already in the existing farm bill; that is, a marketing loan provision that is already there, at an inadequate level, but it is there, and the amendment that is pending simply gives the President of the United States the authority in a state of emergency for 1 year to remove the current loan caps and raise the cap on wheat from $2.58 a bushel to $3.22, on corn from $1.89 to $2.25, on soybeans from $5.26 to $5.33 and extend the loan period from 9 months to 15 months?

Would the Senator agree that this is not a radical amendment? This is not an amendment that somehow sweeps away the previous legislation—and we have different opinions about what ought to happen—but this amendment, it would seem to me, is a very modest, in fact, very narrowly crafted and a very modest change in what is already existing law. Would the Senator agree with that point on this issue?

Mr. DORGAN. The Senator from South Dakota, Senator JOHNSON, states it exactly as it is. I have said before, this particular amendment gives modesty an understated reputation, in my judgment. It is too modest for my taste. I certainly am going to support it. I certainly will support it because it does increase the loan rate, albeit to a level that is far too low. It does increase the loan rate some. It does extend the time in which a farmer can use that marketing loan to better market their grain; and certainly we ought to do that.

If we say, as a consistent philosophy, farmers should go to the marketplace for their price, then you must give farmers the time to access the marketplace when the price might be better than it is just after harvest. Normally, just after harvest they truck that grain to the elevator and—guess what—they find prices that are not very high. It would be better for them to hold it and wait until it is in their advantage to market it.

The Senator from South Dakota describes it as it exactly is. This does not, in any way, unravel the tenets of the current farm program. Would I like to unravel it? You bet your life I would. I do not support it. I never did. I think it is a terrible farm program. Does the planning flexibility make sense? Yes, it does. I support that fully. But the notion that somehow we ought to decide that in every other area we will provide some basic support because that area has merit and worth and value, but in family farming we will pull the support out because somehow that is of lesser value to this country—as I said earlier, this is a lot more than dollars and cents.

That is what the farm bill debate missed a couple of years ago. The specific amendment which I intend to vote for but which is so incredibly modest—it really ought to be replaced by an amendment that says for a certain amount of production, 20,000 bushels of wheat, for example, we will provide a $3.75 or $4 loan rate, marketing loan rate—not the kind of loan where the Federal Government takes control of the grain but, in effect, it becomes a marketing loan where we pay the difference between what the farmer gets on the open market and what the support price is. That is what we ought to be doing. But this amendment is certainly worth supporting because, as the Senator says, it does not fray, undermine or unravel the tenets of the current farm program.

Mr. JOHNSON. Well, may I ask the Senator from North Dakota—I applaud his work on this amendment. I have long supported his concept of targeted assistance for family producers in this context and various others. We have discussed this over the years. But when we expand the loan period from 9 to 15 months, if the producers are required to sell their product within a shorter window of time, does that depress the price further? And who gains by producers having to sell their grain within a shorter window of time than over a longer window of time? Who are the winners and who are the losers when

all of the farmers are required, within a relatively short window, to dispose of their grain at one time? Who wins and who loses by that policy?

Mr. DORGAN. The answer to that is clear. The bigger interests win, the littler interests lose. That is why it seems to me that if you follow the philosophy of the current farm policy, you have to give them the flexibility of going to the marketplace when it is in their interest. And they do not have that capability now because most of them are forced to haul that to the market and sell it as soon as they get it off the ground because they have to pay back the operating loans.

Anybody who says this isn't about big versus little is just flat wrong. Look, if somebody wants to farm an entire county, they have every right to do that. They can farm the entire county. They can buy 50,000 acres of land. They can plow as far as they can plow in 24 hours, camp overnight, and plow back as far as they can. They have a right to do that in this country. But they ought to join with the good Lord and their banker and figure out how they make ends meet. I am not terribly interested if they want to try to farm the whole county, how we offer price supports for them.

But the family out there farming a family-size operation, they are turning on the yardlight, they are doing chores, they are taking enormous risks—do I want to provide some type of continuity and help for them? Of course I do. It seems to me, we ought to construct an approach that says to those folks, ''You really do matter.'' We have in North Dakota—you probably have the same in South Dakota, and I assume other States—we have 53 counties. Ten of them are growing and 43 of them are shrinking. My home county was 5,000 people; it is now 3,000 people. All that has to do with family farmers leaving the farm. And they are now leaving at an accelerated pace.

I do not know that there is a magic answer to all of this. It is just that this particular amendment is an amendment that says, let us try to find a way to give farmers some flexibility to access the marketplace when it is more in their interest to do so rather than be forced to haul their grain to market and sell it when perhaps the prices are at bottom levels.

Mr. COCHRAN. Would the distinguished Senator yield for a question?

Mr. DORGAN. Of course.

Mr. COCHRAN. My question is, How long do you intend to hold the floor? I am curious—not critical at all—but curious, because I agreed to yield to the chairman of the Agriculture Committee time on the amendment. He has been on the floor now for almost 30 minutes. I was just curious to know when I might be able to yield some time to him.

Mr. DORGAN. I have nearly completed my statement. I respect the Senator from Indiana and the Senator from Mississippi. They both are wonderful legislators. We might disagree from time to time on some of these issues, but I know he has been here for some while. This is, as you might imagine, enormously important. Agriculture drives our State's economy. I feel very strongly about a number of these issues. But I certainly want the Senator from Indiana to be able to make his statement.

Let me finish by saying, I do not come here trying to figure out who is at fault. While I have strong feelings about farm policy, when I think this current policy is not good farm policy, and I have opposed it in the past, I think everyone comes at this with good will and with their own strong feelings about what ought to be done.

But I do think that family farmers out there, are struggling these days against the odds and circumstances where they cannot control their own destinies at all. It is not their fault they have been devastated by crop disease. That is not their fault. It is not their fault that grain prices have collapsed. They did not have anything to do with that. And it is not their fault that the Crop Insurance Program, that we advertised as replacing a disaster program, does not work at all for somebody who suffers five straight disasters.

One-third of our counties in North Dakota have had a disaster every year for 5 straight years—every year for 5 straight years. It is not their fault that crop insurance does not work for them. Each succeeding year means you get less of a base because you did not get a crop the previous year, so you still pay those premiums and get less from the Crop Insurance Program.

Again, farmers ought not to be faulted for these circumstances. We ought to find a way to create a connection here to something that does work, to say to them, ''You matter. And we want to do something that makes a difference for you. We want to do something that gives you the opportunity to continue to farm.'' If you are a good manager and if you are willing to take some risks, we're willing to stand for you and with you to say, 'Yes, here's a disaster program. Here's an indemnification program. Here's a little better opportunity on a loan rate. Here's the ability to hold that grain a little longer. Here are a number of things we want to do to try to make your life a little easier.' ''

If we do that together—and I hope we will—and if we work with President Clinton who some of us plan to meet with this afternoon—I hope that perhaps at the end of the day we will all have decided that we have made a difference for family farmers. And, more importantly, I hope that family farmers will decide that we have made a difference in their lives as well.

Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield such time as he may consume to the distinguished Senator from Indiana, Mr. LUGAR.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I thank the distinguished chairman of the subcommittee for his insistence on my gaining recognition. I appreciated the colloquy between the distinguished Senator from North Dakota and the distinguished Senator from South Dakota and the earlier comments of the distinguished Senator from Minnesota.

I come before the Senate as a fifth-generation family farmer; that is, five family generations of Lugars, from the 1820s in Grant County, through the present farming operation we have in Marion County, have been involved in the business of farming. We take the family farming very seriously on the 604 acres of corn and soybeans and tree stands that I am now responsible for and have been for the last 42 years.

The contents of farm legislation are interesting to me as a citizen of this country, certainly as a member of the Agriculture Committee, and as one who is affected by those policies as I try to determine what I ought to plant, what my opportunities are as a family farmer in Indiana. I have been a longtime member of the Indiana Farm Bureau, as was my father, Marvin Lugar, and my uncle, Harry Lugar, a longtime member of the farmer's union in Indiana. I have been responsive to both groups and to others who have been involved in organizational agriculture as we helped to fashion the last four farm bills.

I come before the Senate today just having addressed a meeting 2 days ago of the American Farm Bureau President's Group. At least on a couple of occasions a year, the president of each of the 50 State farm bureaus come to Washington, along with the various persons in their organizations. During the course of that colloquy with the farm bureau presidents, I was approached by a gentleman who mentioned he is the president of the North Dakota Farm Bureau. His name is Jim Harmon. Jim Harmon, the president of the North Dakota Farm Bureau, gave to me an article which he had published in the North Dakota Farm Bureau Journal.

I quote from his article. Mr. Harmon says:

> It seems whenever things get difficult in farming, we look for someone or something to blame. That is certainly the case with the financial crisis facing farmers and ranchers in the northern plains where we have had continuous years of adverse growing conditions, now compounded by low prices. Some would like to assign blame to the ''Freedom to Farm'' bill; and have Congress reopen it to ''fix'' the price problem. This is the wrong route to take, because ''Freedom to Farm'' is not the problem—only the scapegoat. If the Act is reopened, I fear that farmers stand to lose much more than they can possibly gain.

Mr. Harmon continues:

> The argument is being made that we need to reinstate the old ''safety net'' program of the last 50 years. Fifty years ago, we had almost seven million farmers in the United

States. We now have two million. What kind of ''safety net'' lets that many producers slip through it? The only thing those programs guaranteed was a price ceiling on most commodities in most years. Stable prices at low levels with rising production costs is not the prescription for profitability in farming. In the current legislation, the ''safety net'' of price supports and disaster declarations (not always successful), was replaced by ''transition payments'' to offset the impact of depressed prices, and the promise of meaningful risk management tools to reduce the effects of natural disasters. For North Dakota farmers, the promise of an improved crop insurance program in our risk management tool kit still needs to be fulfilled.

A recent study by researchers in the Agricultural Economics department at NDSU indicated that about three-fourths of North Dakota's 1997 decline in net farm income was due to yield and quality reductions, and one-fourth to low commodity prices.

Blaming the current farm bill for the depressed cereal grain prices is also off the mark. The bill authorizes $500 million for the Export Enhancement Program. Only $150 million was appropriated, of which NONE has been used until the now famous EEU barley shipments into the United States. Adequate funding of the Market Access Program, along with a comprehensive strategy for expanding foreign markets for our commodities are tools that must be developed and implemented if agriculture is to succeed in the global marketplace.

Mr. Harmon continues:

Another area that deserves attention is the fact that the United States has made sanctions against countries that comprise 11 Percent of the world wheat market (accounting for 40 percent of the world wheat export market). Given American agriculture's dependence on export markets, trade sanctions usually punish farmers more than the leadership of the country we're mad at.

Farm Bureau strongly believes that the following components are necessary to ensure the success of the current farm programs:

Mr. Harmon says:

Improve Federal Crop Insurance and develop new cost-efficient income coverage programs.

Utilize to the fullest extent, all of the trade tools available, including EEP, GSM 102 and 103 Credit Programs, MAP, and the Foreign Market Development (FMD) Programs.

Provided promised reforms in the areas of wetlands, pesticides, air and quality regulations.

Expand agricultural research funding.

Other items that will complete an integrated ag package include FARRM accounts, income averaging, estate and capital gains tax relief.

Changing current farm law will only open the door to false hope for those of us who need real answers. Real answers can be found by using the tools available to their fullest potential.

I believe that Mr. Harmon, the president of the North Dakota Farm Bureau, has made the case very well for the current farm bill. He has also offered some excellent suggestions. I am hopeful that, as Senators meet with the President today, the President will subscribe to many of the suggestions that Mr. Harmon has made.

Let me simply add, as that conversation with the President commences, that it would be helpful to have in front of the President U.S. Department of Agriculture estimates that the farm bill now in force in this country is providing payments totaling $17.180 billion over the 1996–1998 marketing years; that is, the first 3 years of this new farm bill. This $17.18 billion of payments to producers is in comparison to what would have been paid under the old farm bill. That would have been only $9.63 billion.

In essence, the current farm bill, during 1996, 1997, and 1998, will have made available to producers in these transition payments $7.55 billion more than they would have received if we had continued the old farm bill. I think that is an important point, Mr. President, because that amount of income, $7.5 billion, is out there in farm country now. It is in the hands of family producers, family farmers, and it is reality, as opposed to speculation.

Further, the transition payments under the farm bill are made earlier in the planting season than were the old deficiency payments. This has allowed family farms more latitude for planning as they go into planting their crops.

Under the new farm bill, farmers have the flexibility as to what types of crops to plant and in what amounts. Farmers plant for the market rather than for the Government. The distinguished Senator from North Dakota noted that was one portion of the new farm bill that he liked. It is a very important one.

As a family farmer, let me simply testify that for many years we planted corn because we were in the corn program and failure to plant corn might diminish the base on which our support payments were based. Therefore, we had to follow the dictates of the Federal Government that often asked us to set aside 5, 10 or 15 percent of our cropland.

We could have produced things that did not have a program, Mr. President, but that would have diminished the base, so that if we wanted to return to the program, we would have been out of luck. As a result, for years, USDA essentially dictated the amounts of corn, wheat, cotton and rice—so-called program crops—to family farmers. Now, as a matter of fact, with Freedom to Farm, we are exercising that freedom. We are planting what the market signals the market wants. We are maximizing our opportunities. It is a critical point, Mr. President, but totally impossible under the old supply management of the farm bills of 60-some years.

I note that current farm prices have prompted some Senators to suggest that the 1996 farm bill should be changed to alleviate what they perceive to be a farm crisis. Mr. President, we have had a lot of testimony before the Agriculture Committee and, indeed, we have heard farmers from the Dakotas and from the Chair's own State of Montana, and from northern Minnesota, testify about terrible weather problems, multiple crop failures—extraordinary difficulties that were recognized by this body when emergency disaster relief aid went to the Dakotas and to some other States last year.

Mr. President, let me just say that even granted this crisis—and it is one that hopefully can be met by many farmers through the crop insurance that they have taken out, and participation in the Dakotas, where crop insurance is intensive, perhaps more so than most any other two States—given marketing opportunities that have been available that, hopefully, will be available again given the cyclical nature of crop prices, and certainly the changes in the weather that dictate from day to day very sharp changes in the futures market, we are all hopeful of trying to alleviate the crisis as perceived by some States and some counties that have a genuine crisis.

I just point out, however, to all Members that 1998 farm prices—the ones we now have either for crops that have been harvested, or prospectively, for those in the fields—are low in comparison to the unusually high prices of 1995 and 1996. But they are about equal to the 1990–94 average price levels for wheat, corn, and soybeans. I point out that 1995 and 1996 had some unusual factors; namely, that the USDA guessed wrong and required farmers, such as myself, to set aside acreage and, in fact, the weather did not cooperate and we had very small crops in the country. Prices went up, predictably.

I just say, Mr. President, that we are now in more normal planting situations in which there are not excessive stocks around the world. Farmers are planting for the market. And my point is that the prices now are roughly the 1990–94 average for wheat, corn, and soybeans. USDA projects that farmers, this year, will receive an average of between $2.70 and $3.10 for the 1998 crop of wheat. The 1990–94 average was $3.11. Corn prices are projected between $1.95 and $2.35, according to the USDA, and that is certainly much more speculative given the fact that we still have some time to make that crop, as compared to an average of $2.30 in the early 1990s.

Mr. President, anyone who has watched the futures markets in the last few weeks has seen prices reverse direction drastically and dramatically. December corn closed on June 23, for example—not long ago—at $2.67 and three-quarters, a recovery of 30 cents from the contract lows—all in one fell swoop. Similarly, November soybeans closed at $6.40 and three-quarters, a 70 cent recovery from contract lows earlier in the season.

Today's low prices are not caused by the farm bill. They reflect large world grain supplies, a direct result of the high prices of 1995 and 1996, distorted somewhat by USDA set-asides. But they reflect something much more, Mr. President, and that is a profound crisis

in the economies of many Asian nations. If it were not for the Asian crisis, this Nation would be well on the road to setting another all-time record for the dollar value of farm exports. USDA's current projection of $56 billion in 1998 exports is about $4 billion less than the record—$60 billion—in 1996. If Asian demand simply matched last year's level, with no growth, we would have matched and exceeded the $60 billion figure. USDA forecasts that our exports to non-Asian countries will actually be 8 percent greater than in the record-setting year of 1996.

The farm bill is a source of help and not harm for farm income. From 1996 to 1998, as we pointed out, the payments have been $17.18 billion, $7.5 billion more than the old farm bill. I just simply say that this money continues throughout the duration of the current farm bill. The payments are well known to farmers. So in terms of forward planning of their operations, they understand the money in the bank that is provided by the current farm bill.

Let me just say that one of the ways in which many northern plains farmers who have been especially afflicted by very bad weather, and sometimes by wheat scab disease—a number of the northern plains farmers have adapted to these wheat problems, and scab and other disease problems, by changing the crops that they plant—oilseed acreage, for example, in North Dakota. And other States have expanded dramatically at the expense of wheat acres. Such wholesale shifts could not have occurred under the old farm policy. The disincentives to change crops were simply too great. Freedom to Farm is a package deal. Its aim is to leave planting decisions in the hands of the farmers and not the Government. And to achieve this goal, the FAIR Act provides full planting flexibility, bans production controls, and decouples income support payments.

Another element in the farm bill is the relatively low loan rates, and that is the subject of the amendment before us. The purpose of the loan rates in the farm bill now is the same as the act's other features: to make certain that price supports are a short-term marketing tool and not an alternative market. Loan rates should not be set high enough to influence farmers' planting decisions, and they should not tie up grain in storage for such a long period of time that market signals are distorted.

To state it another way, Mr. President, I have been asked by Senators, ''Why is it a bad thing for marketing loans to bring grain into the hands of the Federal Government?'' The basic reason is that grain doesn't disappear on its own accord. It is there; it is a drag on the supply side. It means everybody taking a look at futures markets knows it is still there. It has to be sold at some point. It depresses price. It depresses income. It is not a quick fix; it is not a good fix. Under the current farm bill, it is not meant to happen. That is why proposals to raise loan rates or extend the time for loans are doubly objectionable.

Not only do they put a further strain on the Federal budget, but they put the Government back in the business of substituting its judgment about crop decisions for the market's judgment, and for that matter, about marketing the stores of grain the Government accumulates. The projected crop prices for the 1998 marketing year are much lower than I would like to see, particularly when compared to the high prices of 1995 and 1996.

Mr. President, there are a number of steps that we will need to take in the Agriculture Committee and on this floor to assist farmers to obtain higher prices. I want to discuss some of those later in the day. But for the moment on the current amendment, just for the benefit of Senators, the amendment deals with removing the 1996 farm bill ceiling on loan rates. And it would mean that the USDA would be free to raise the 1998 crop loan rate to 85 percent of the past 5-year market price average excluding the high and the low years. The amendment would remove loan rate caps for marketing assistance loans for wheat, for feed grains, for cotton, and rice measured in fiscal year 1999 effectively uncapping the loan rates for the 1998 crops.

Finally, the amendment would permit the Secretary of Agriculture to extend the term in the marketing assistance loans from the current 9 months to 15 months.

I state all of this, Mr. President, because I am not certain in the debate thus far that it has been clear exactly what uncapping the loan rates means. It means, as I have stated, taking the last 5 years in these program crops, excluding the top and the bottom years, and, therefore, the average of the remaining three. And this results, for the benefit of Senators who are wondering about the amounts of money involved, that the current loan ceiling for wheat under the current farm bill is $2.58 a bushel. The calculation of the 85 percent of the 5-year average, excluding high and low prices, would raise that loan rate to $3.16.

Mr. President, I make the point about wheat because I have already suggested that the average price of wheat calculated by USDA is now estimated after a pretty good harvest at between $2.70 and $3.10 for the year. Thus, we would be creating a loan rate higher than the likely average price for wheat marketed this year. It is logical in that event that very large amounts of that crop are going to go under the marketing loan. If, in fact, to take a practical example, a wheat farmer has some prospects for the average price of $3.10, or lower than that, he or she might decide to use the marketing loan to get the $3.16, and let the Federal Government worry about what is going to happen generally with the supply of wheat in this situation.

For corn, the situation is not quite so generous. The current farm bill marketing loan would be $1.89 a bushel. Given this 5-year averaging, again with the high and low out, that goes up to $2.17. It is conceivable that given a bumper crop of 9.5 billion bushels that corn could dip below $2.17, and, if so, a good bit of corn would come under this procedure.

Soybeans are at $5.26, the marketing loan rate. Under the farm bill, that would be $5.54 given the 5-year calculation if you removed the cap. It is hard to tell precisely what the situation would be for beans, but maybe a similar one to corn.

In any event, you can predict that stock accumulations would be inevitable. These would lead, I suspect, to calls from the floor for supply control for USDA to step in and try to prevent a further accumulation of a glut of grain that is depressing prices in this country, and depressing farmers as they see those prices going down. Mr. President, this is not even a good quick fix. It is a prescription for enormous difficulty.

Mr. President, the amendment before us, as I understand, has been tailored in various ways so that, although the Congressional Budget Office has not yet scored the amendment, it is clear that it would cost at least $1.6 billion, with approximately $400 million of that cost due to extending the term in the marketing loan by 6 months, and the remaining $1.2 billion due to uncapping the loan rates,

Mr. President, I point out that in the action taken in this body the other day to make possible the tender offer by Pakistan, if it comes, for 37 million bushels of U.S. wheat, the Congressional Budget Office finally scored that, as I recall, at about $35 million in costs. And a huge scramble occurred to try to find where $35 million is, even to meet that emergency action. They found it. That is why the legislation finally made it through both Houses to be signed by the President.

But we are talking now about $1.6 billion in this amendment. The quick fix of this situation is to say, ''Well, it is an emergency outside the budget.'' Unless somebody declared that today with regard to each of the same things that we are discussing, I see no majority support in this body for a declaration of emergency of this character. I see no prospect in the other body for that to occur. The money simply would have to come, if it is to be appropriated in this way, from other agriculture programs. And the scramble will begin as to who will pay the piper. This is a zero sum game.

Mr. President, I add, finally, I started my talk by mentioning my visit with the state presidents of the American Farm Bureau. The American Farm Bureau and the 50 presidents who were there are not calling for this amendment. As a matter of fact, they do not believe the amendment is good policy, nor do I.

Let me just suggest that there are things for which farm organizations

are calling. The distinguished occupant of the Chair organized an important meeting of a good number of producer groups not long ago. During the course of that meeting a number of suggestions were made that are important policy changes. Among those were reauthorization of the Presidential fast-track trading authority. If there is a single item, Mr. President, that is important to higher income on the farm, it is that one, because in order to have an extension of our exports, an extension of our sales and our marketing, the President must have fast-track authority. No other country will deal with it. It is quite apart from the World Trade Organization, which is about to have an important meeting in 1999. At that meeting we are all encouraging Ms. Barshefsky, our Trade Representative, or anybody else who might represent us, including the Secretary of Agriculture, to make certain that agriculture is at the top of the priorities. Normally agriculture is at the bottom of the priorities. And that will take some pushing and shoving, because a good number of other interest groups in our country will say, ''We don't want to hold up a deal with other countries due to their antagonism to agriculture.'' The most protected of all areas is still in agricultural trade.

So we have to have fast-track authority. We ought to be debating that if we are talking about agricultural income, and hopefully we will be debating that very soon on this floor.

Second, we must have International Monetary Fund reform. I start by ''reform,'' because I appreciate the comments that have been made in various meetings of our committees about how IMF operates. But we are also going to have to have refunding and replenishment for the IMF. The cupboard is almost bare. The possibilities are that the nations of the world—we contribute about 18 percent of that money, and it is good to have at least 82 percent contributed by others. The nations of the world may, indeed, come to the rescue of other nations very promptly. Commodity prices are down worldwide. We are discussing today the problem of agricultural prices in the world. But, if we were in another country at another time, we would be discussing the implications of low oil prices, or low copper prices, or the fact that a certain deflationary trend seems to have come over primary foods and materials throughout the world affecting the economies. Enormous flexibility and safety net situations are going to be required.

Third, the agricultural groups almost unanimously have talked about economic sanctions reform with a special emphasis on unilateral sanctions, the ones that we impose all by ourselves, and that we have imposed 61 times in the last 5 years and that have affected maybe $20 billion of American income and several hundred thousand American jobs.

Later in this debate on the agriculture appropriations bill, I will be offering as an amendment a sanction reform bill that deals prospectively; that is, just with the future, but at least sets in motion criteria for the administration and for Congress in considering unilateral economic sanctions and estimates as to their cost and a sunsetting provision that we can get rid of them after they have achieved what they were supposed to do. It is a modest amendment, but it is an important amendment in the sense of giving hope to farmers in America. Do we care about them enough to be thinking how the sale is going to be made, how marketing can occur with this most vital of humanitarian commodities, food supply.

Fourth, farm groups have called for establishment of normal trade relations with China. They have called for stronger oversight on biotechnology in negotiations with the Common Market and with others so that we are not denied the remarkable breakthroughs in our own science. They have asked for full funding of the agricultural research bill, and hopefully we will pass that as a part of this overall ag appropriations legislation.

Earlier, of course, the farm groups were instrumental in helping us all to come to passage of the agricultural research bill itself.

And 5 years of crop insurance provisions, which we now see were so critically important given the precarious nature of agricultural income due to weather and other events in so many parts of the country.

I would point out that act alone, the Ag Research Act, and the crop insurance provisions for 5 years were tremendously important in making a difference for agricultural income now as well as for the foreseeable future in our country.

The farm groups are calling for estate tax reform. Of anything that has come before our committee, that has had greater unanimity in terms of farm families, and these are the same family farms bandied about in the conversation all the time. They are saying, if we are going to have a family farm, we are really going to have to have estate tax reform and reduction and preferably abolition. Hopefully, that will come before the body.

These are elements of a successful farm policy. We are finally going to have to come down to the point of discussing the difference between selling the crop and storing the crop, and there is a big difference. What I and many others are advocating is that we sell, that we market, that we move the crop. A third of all that we do in agricultural America has to move; a tough job in the face of the Asian demands falling off precipitously but not impossible.

As I have pointed out, we are exporting to non-Asian countries 8 percent more now than we were doing in the 1996 record export year, and that did not happen by chance. It happened because agricultural marketers and farmers taking trade groups and personally visiting countries have done a remarkable job. We have to help that substantially, and we can. The policies I have talked about today are fully within our purview in the Senate to debate and to discuss and to enact.

Let me just mention that those of us on this side of the aisle know that there are no quick fixes, but we do know that action is important as well as rhetoric. Less than an hour after the Senate approved the sense-of-the-Senate amendment offered by the distinguished Democratic leader last evening, we gave final congressional approval to the broad exemption of agricultural products from India and Pakistan sanctions under the Glenn amendment. The Senate's action should allow U.S. wheat to compete in today's Pakistani tender for 350,000 metric tons of exports.

Yesterday, I joined nine other Senators from farm States in calling for action this session on the distinguished Senator from Iowa, Mr. GRASSLEY's Farm and Ranch Risk Management Act, which gives farmers important new tools to manage the variability of farm income. I am hopeful that will be enacted in this session.

Also, yesterday nine of us from farm States wrote the Secretary of Agriculture, Mr. Glickman, in support of actions which he can take now without legislation to increase exports of humanitarian food assistance. The CCC Charter Act provides authority for a wide range of Secretarial action, and our letter lays out how a new initiative could use existing funds to expand overseas concessional sales of wheat, vegetable oil, feedgrains and other commodities.

I ask unanimous consent that both of the letters enunciating these policies be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,

Washington, DC, July 14, 1998.

Hon. DAN GLICKMAN,

Secretary of Agriculture, Department of Agriculture, Washington, DC.

DEAR MR. SECRETARY: We have reviewed your July 7 letter to the Vice President, transmitting a draft bill to permit unobligated funds of the Export Enhancement Program to be utilized for food aid. We share your goals of enhancing U.S. producers' incomes through higher exports and augmenting our nation's ability to meet humanitarian needs throughout the world.

Without prejudice to your legislative proposal, we believe it may also be possible for you to take administrative actions, consistent with existing statutes, which will achieve many of the same purposes more expeditiously. We would like to share our reflections on this matter for your consideration.

The Commodity Credit Corporation Charter Act grants relatively broad powers to the Secretary to achieve stated purposes. These powers are not unlimited, but they do afford you considerable latitude of action.

In particular, Section 5 of the Charter Act instructs you to use the CCC's general powers for eight stated purposes. Among these

are to ''[p]rocure agricultural commodities for sale to . . . foreign governments, and domestic, foreign, or international relief . . . agencies . . .'' Another priority is to ''[e]xport or cause to be exported, or aid in the development of foreign markets for, agricultural commodities . . .''

The Charter Act's history suggests that these purposes may be achieved through programs and procedures that are similar to those which exist or have existed under other statutes. Thus, in the mid-1980s the EEP was operated for a time under Charter Act authority after the statute which then authorized EEP had lapsed.

We believe a fair reading of the Charter Act permits you to establish a program which would operate in the following manner. During a specified period (perhaps the last fiscal quarter as proposed in your draft bill), the Secretary could determine that all or part of funds authorized for EEP during that fiscal year would not be used. In this situation, the Secretary could authorize the use of CCC funds in an amount equal to the unused portion of EEP authority. The CCC funds would be utilized in a newly created Food Assistance and Market Development (FAMD), program.

The FAMD would be established under Charter Act authority to export agricultural commodities. CCC would purchase commodities at prevailing market prices for concessional sales to foreign buyers, whether public or private. The FAMD's terms and conditions would be similar but not identical to those for Title I of P.L. 480. Notably we would suggest that priority FAMD be given to market experiencing a temporary need for food aid because of macroeconomic or other problems, but likely to resume commercial purchases in future. Other priorities under the new program might be markets which have recently made political or economic reforms, as well as countries with which the U.S. has recently resumed diplomatic relations. It might be that repayment terms and grace periods would also differ from those under Title I, although all terms and conditions would need to be consistent with international norms for bona fide food aid. We intend these parameters to be descriptive rather than prescriptive, and acknowledge that you will want to tap the expertise of market development professionals in both USDA and the private sector in developing any new program.

We do note, though, that there is ample need for the American products which would be exported under this program. Title I funding has declined by roughly half in recent years. In correspondence which we earlier shared with you, U.S. producer groups identified potential non-emergency food assistance needs of about $150 million for wheat alone. Additional opportunities to assist developing countries and lay the groundwork for commercial relationships exist for vegetable oils, protein meals, feed grains, meats and other commodities.

In our judgment, you possess the authority to implement the program we have described. We will be happy to discuss further with you or officials of your Department the potential for moving quickly to assist needy populations and enhance U.S. farm exports.

Sincerely,

Dick Lugar, Pat Roberts, Larry E. Craig, Rick Santorum, Chuck Grassley, Mitch McConnell, Thad Cochran, Paul Coverdell, Jesse Helms.

U.S. SENATE, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,

Washington, DC, July 13, 1998.

Hon. TRENT LOTT,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR MR. LEADER: We write to share our thoughts about one important way Congress can safeguard the future of our nation's family farms.

The FAIR Act is providing income support to agricultural producers. Because of its system of direct transition payments, farmers in 1996–98 will have received $7.6 billion more in federal assistance then would have been the case under an extension of prior law. We will join you in resisting any changes to the FAIR Act's basic provisions.

To prosper, however, the agricultural industry requires sound macroeconomic, fiscal and trade policies. In our recent meeting with national farm leaders, all of us heard these producers advocate fast-track trade authority, the reform of economic sanctions and other forward-looking initiatives. We thank you for your leadership in these and other areas.

The farm leaders also praised S. 2078, the Farm and Ranch Risk Management Act, which Senator Grassley introduced and all the undersigned Senators support. The FARRM Act will allow producers to save a portion of their farm income on a tax-favored basis in an effort to smooth out volatile income streams and minimize the risks involved in farming. If farmers and ranchers had been able to avail themselves of such FARRM accounts in recent years, the impact of this year's lower commodity prices would have been significantly mitigated.

Under S. 2078, eligible producers may take a deduction of up to 20 percent of taxable net farm income for FARRM account use. Interest income earned from the account will be distributed (and taxable) annually. Withdrawals of principal from the FARRM account will be taxed as ordinary income in the year the withdrawals occur. Money cannot remain in a FARRM account more than five years.

Thus, the FARRM account is not a retirement plan but a risk-management tool. Revenues in farming and ranching are notoriously volatile. We need only look at the wide swings in commodity prices between 1996 and the present to see that farmers need a range of ways to manage variable prices. The FARRM Act will let producers set pre-tax money aside during good years and then use it during years of financial stress. The responsibility to manage the account will rest with the producer, who is best able to assess his or her individual financial situation in a given year.

S. 2078 is a bold and innovative proposal. We seek your assistance in securing fair consideration for this important legislation, and hope that if the Senate acts on major tax legislation this year, S. 2078 will be included in any such bill.

Thank you for your consideration.

Sincerely,

Chuck Grassley, Dick Lugar, Larry E. Craig, Thad Cochran, Pat Roberts, Paul Coverdell, Phil Gramm, Dirk Kempthorne, Chuck Hagel, Kit Bond.

Mr. LUGAR. Mr. President, Republicans will continue to press for prompt action on appropriate legislative vehicles. We will join our House colleagues on both sides of the aisle in asking for a vote this year on fast-track authority, and we want to proceed with all Senators to move ahead on IMF replenishment and reform. We are hopeful of seeing passage of sanctions reform legislation.

We are determined to create additional demand for American farm products and thus higher prices and hopefully higher income. We are working with farm groups all over the country for implementation of those portions of the farm bill which have led to the lowering of costs, so that the bottom line in terms of net income for farm families might be more positive.

I share the general feeling in this debate that these are stressful times for millions of people in farm country. We have to address that up front and soberly. In these comments this morning, Mr. President, I have tried to illustrate that I believe the general outline of the farm bill has led to more income, more cash in these 3 years for farmers, and will in the next 4; that we have great possibilities, given Freedom to Farm, to do things on our farms that are most profitable guided by market signals. And finally, we have our work cut out for us in the Senate in dealing with the strengthening of our foreign trade position and the demand that we must have.

Not long ago, I heard a lecture using this same general idea, that a third of our sales now go abroad—a third exported of our farm commodities and farm animals. The suggestion was, as a matter of fact, that already a third of the world trade that we were doing was with Asia. We had hoped for more expansion, and that seemed on the horizon, given the rise in Asian incomes prior to this year.

Most of that third of the Asian trade is gone temporarily. We may have some success with this sale in Pakistan, and I hope that we will. Certainly, we are active as a Nation in South Korea, and there are some possibilities for sales there. The Indonesian market for the time being is devastated, and likewise not too much from Thailand, from Malaysia, and from other countries that have been afflicted.

If you take away a third of the third of income that already was exported, that amounts to about one-ninth the demand for all that we do. It is no wonder that prices have fallen, but it should be a wonder if we do not act to market, to sell, to move this grain and this livestock by originating new policies that make a difference in world trade, where our bread and butter will come in agricultural America.

For these reasons, I hope Senators will reject the amendment before us dealing with the marketing loan fix. In my judgment, it will be expensive, with money we do not have, it will depress prices rather than lead to an increase, and it will give the impression that this is in any way even a partial solution when, in my judgment, it will be a strong step backwards.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am delighted the chairman of the Agriculture Committee, the distinguished Senator from Indiana, has had an opportunity to make the case against this amendment offered by the Democratic leader, by Senator HARKIN, and by others. It is just as clear to me as anything can be that the weight of the evidence is against the passage of this amendment by the Senate.

One other point that I do not think has been made enough is that the purpose of this legislation we are dealing with today is to appropriate money to fund the Department of Agriculture programs, the FDA, and CFTC as well. We are not here to really pass judgment on the legislative authority for the Department's expenditure of money. This amendment, offered by the Democratic leader, purports to and intends to rewrite legislative language that was approved by the Congress in the 1996 farm bill and was signed by the President and implemented through regulations and administrative actions by this administration.

Our committee has the responsibility of determining how much money is needed to carry out that farm bill and what authorities we have in law to spend the funds that have been allocated to our subcommittee under the budget. So our responsibilities are really limited by law. If we decided to start rewriting provisions of the farm bill of 1996, that would be a never-ending ordeal for the Senate to put itself through. For that reason, the Senate ought to reject this first amendment that seeks to start that process. This is the first amendment offered to this bill that seeks to rewrite legislative authority of the Department of Agriculture to administer a farm program. If we start down this road this morning on this amendment, it may never end.

Think about this. When we were writing the farm bill of 1996, we had the best information, advice, and counsel from experts on agriculture programs at our hearings in the Committee on Agriculture. The House went through the same exercise. The administration was actively involved. There was give and take. There was compromise. But, in the end, we developed a consensus of what ought to be done to put our country on a firm footing of legal authority for programs that would support agriculture. So the end product was the 1996 farm bill. If we start trying to undo it and rewrite it piecemeal, section by section, we are going to have the biggest mess on our hands you could ever dream of.

So the Senate ought today to vote for the motion to table, which I will make in due course, when time has expired or when all time is yielded back on this amendment. I hope the Senate will reject this amendment.

The PRESIDING OFFICER. Who seeks time?

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum and suggest the time should be charged equally between the proponents and opponents of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, how much time does this side have remaining?

The PRESIDING OFFICER. The Senator has 44 minutes 55 seconds.

Mr. HARKIN. I yield myself 20 minutes, to begin with.

The PRESIDING OFFICER. The Senator is recognized for 20 minutes.

Mr. HARKIN. I listened, of course with great interest and intent, to the comments by the distinguished chairman of the Agriculture Committee, my good friend from Indiana. I am privileged to serve as his ranking member on the Agriculture Committee.

I think, first of all I will just respond to that and also to the statement made by the chairman of the Agriculture Appropriations Subcommittee about, ''My gosh, we passed the farm bill in 1996. Here we are, do we want to rewrite it?''—and all that kind of stuff—''We should not open it again right now. It's the third year we are in it.''

The 1996 farm bill is not the Ten Commandments. It was not written in stone for all time. We have a crisis impending on us in agriculture. The bottom is falling out. Prices are going down every day. Are we so stuck in our ways here, are we so wedded to some ideology imprinted in the 1996 farm bill, that we cannot respond?

''Oh, I am sorry. We see you are losing your farms. We see the prices going down. But, I am sorry, we passed a bill here 3 years ago and we cannot touch it.''

Again, we are not really opening up the farm bill. We are simply making one minor change. Loan rates were capped in the 1996 farm bill—capped, frozen; they are still there. We are not introducing something new into agricultural legislation. It is simply that a decision was made to cap them.

That is OK. That was OK for the last couple of years, because grain prices have been relatively high. But now when the bottom is falling out of the market for a variety of reasons, now is the time when farmers need a little bit of assistance. What kind of assistance? They need flexibility.

We hear a lot about that word, ''flexibility.'' In the 1996 farm bill, it did give farmers flexibility in planting decisions. That was a good part of the 1996 farm bill, a concept that was supported by everyone. But how about flexibility for the farmer to be able to decide how to market their crops? That is what we are trying to do by raising the caps on the loan rates—to give the farmer the ability to harvest the crop, get a loan on that crop to pay the bills, and then be able to market that crop when the farmer feels it is most advantageous over the next 15 months. That is called flexibility, Mr. President, flexibility—to give the farmer some flexibility in marketing.

What I am hearing from the other side now is, ''No, we don't want to give that farmer flexibility. We want to give the farmer flexibility in what to plant. But when it comes time to market, he is at the whims of the marketplace, of weather, of other countries and what they do, over which we have no control.'' That farmer is at the whims of the disastrous Asian economy. We cannot even give that farmer a little bit of support to give him the flexibility to market over 15 months? What nonsense. What utter, absolute nonsense.

Thousands of farm families are facing severe economic hardships. They are in danger of losing their livelihood, their life savings. Just yesterday, the Senate went on record with a sense-of-the-Senate resolution saying there is a great economic crisis in agriculture and calling for immediate action by Congress: 99 to nothing. Nice words on paper. But now, here is the first vote to implement that sense-of-the-Senate resolution that we passed yesterday.

We are for the first time trying to raise the caps on the loan rates to give the farmer the flexibility to market, and now we can't even give them that much. We can't even do this modest step. What did that sense-of-the-Senate resolution mean?

Mr. President, I offered that sense-of-the-Senate resolution along with Senator DASCHLE. It passed 99 to 0. I am wondering, if we can't even do this modest little step to help our farmers out, maybe we ought to recall that amendment. Maybe we ought to have another vote on it and this time vote it down. Why give all this flowery support that we are going to help agriculture? There is a problem out there and on the first vote, ''I am sorry, the farm bill is written in stone; we can't touch it.''

What we are proposing is a quite modest and reasonable response to try to prevent the farm situation from becoming any worse and to help turn it around. Quite frankly, I am a little embarrassed at the modesty of our proposal, but we thought in order to minimize any opposition, we would keep it limited. We are not proposing any radical changes in farm policy. We are not opening the floodgates of the Treasury. We have been very careful in that respect.

I must confess, if we cannot manage to adopt even this modest amendment today, it will speak volumes about the willingness of this body to respond to the dire situation in rural America that we just recognized yesterday in a sense-of-the-Senate resolution.

I underscore that the rural economic crisis is not the fault of America's farmers. We have a world situation where large supplies of commodities

have combined with weakened demand, with a terribly depressed Southeast Asian economy that has driven commodity prices lower. In the last 2 years, farm level prices for corn, wheat and soybeans have declined 39 percent. Cattle prices are 20 percent below the level earlier this decade. Hog prices for the first half of 1998, are the lowest seen in 20 years. On top of that, numerous regions have experienced bad weather and crop diseases that have devastated our farmers.

As of yesterday, a farmer would receive a price of $2.50 a bushel for wheat at a country elevator in Dodge City, KS. At that price, the average Kansas farmer with about 350 acres of wheat in the ground right now will suffer a loss of more than $40,000 over his cost of production. And we are telling that farmer we can't do anything to help him?

With the average corn market price announced by USDA on July 10, the typical Iowa corn farmer will be losing more than 35 cents of every bushel of corn he markets, even considering the modest Government payment that he is going to receive under the 1996 farm bill.

Mr. President, 32 of 50 States have suffered declines in farm income in 1996 and 1997. Here it is, 32 of 50 States: North Dakota, 98 percent; Iowa, down 16 percent; New York, 44; Pennsylvania, 32 percent; Kentucky, down 29 percent; Tennessee, loss of 28 percent; Missouri, down 72 percent. That is what is happening. That is the loss in farm income, according to Dept. of Commerce figures. As I noted yesterday, Standard & Poor's Index for Wall Street has gone up 36 percent in the last year. Look what has happened in agriculture. And yet we can't do anything? Not even this modest, little increase in loan rates?

If the price estimates released July 10 by USDA hold up, lower corn and soybean prices will cause an additional loss of farm income in my State of Iowa alone of over $1 billion this year. That translates into 19,000 jobs in my State affected directly or indirectly by agriculture.

On a national basis, this year's crisis will strike a severe blow. USDA estimates suggest that 1998 farm income will fall below $50 billion, 13 percent lower than it was in 1996. With the season average corn and rice projections being lowered 6 percent in July, that number is going to fall even more. The $5.2 billion decline in farm income could translate into a loss of nearly 100,000 jobs in the agricultural sector and ag-related businesses.

Mr. President, 1998 total farm debt is estimated to amount to $172 billion, the highest level since 1985. For those of you who don't remember 1985, let me refresh your memory. That was the height of the farm crisis. From 1985 to about 1988, hundreds of thousands of farmers lost their farms in the United States. It devastated rural America. It took us, well, almost the next 10 years to climb out of it. Now that we are getting out of it, farmers are hit once more.

We are going to have a huge farm debt again this year. We are going to have another wave of farm foreclosures and farm losses. Families are losing the equity they have built up in their farms. Those who survived the 1980s and thought they had it made because they weathered the worst financial crisis in agriculture since the 1930s are on the edge and they are getting pushed off.

Farm families and communities are facing an emergency, and we in the Senate must act, as we have traditionally done when emergencies strike.

It is important that all Senators understand what our amendment does. It focuses on the level of the loan that a farmer can take out on farm commodities after harvest using the crop as collateral. This loan allows the farmer to pay the bills, as I said, and retain the crop for up to 15 months so they can market it in a flexible manner. It let's the farmer make the decision of when to sell rather than being forced to sell because the bills are due. You can think about this amendment as the ''flexibility to market'' amendment.

The formula has been around for a long time. As I said, there is nothing new about this. It is in the farm bill: 85 percent of the 5-year average, throwing out the high and the low years. That is the basic formula, 85 percent.

The distinguished Senator from Indiana went on at great length talking about how we don't want this loan rate set so that it will influence farmers to make their planting decisions, because if the loan rate is too high, then the farmer plants for the loan, not for the market.

I have three observations on that. First of all, this amendment only covers the 1999 Fiscal year. We re talking about crops that are already planted, for the most part. So how can a one-year amendment have any substantial influence on farmers' decisions about what to plant next year? I think perhaps people who have been speaking against the amendment don't understand that. It is only for one fiscal year.

Even assuming somehow psychologically it did because the farmer might say, ''Well, I got that loan this year and if things remain bad next year, maybe they will do the same thing next year, so, therefore, I will make my planting decisions based upon that possibility'' that is ridiculous in the extreme. Why? Because, first of all, this loan rate is only 85 percent of the last year 5-year average, throwing out the high and low years—85 percent. For corn right now, the farm bill cap is $1.89 a bushel. Our modest amendment would remove that rate, raise it to $2.19 for this crop year. Wheat right now is capped at $2.58 a bushel. Removing the cap would put the rate at about $3.22 a bushel. Both of those are way below the cost of production.

If you are a farmer, and you are making planting decisions based upon the loan rate, then what my friend from Indiana is saying is that the farmer is going to plant more corn to get a loan rate that is lower than his cost of production. It reminds me of the old joke, the old saw we always hear around my State about farmers. Someone asked the corn farmer how he expected prices to be? He said, ''Well, I hope to at least break even because I need the money.''

According to the Senator from Indiana, raising the loan rate to $2.19 would somehow encourage a corn farmer to plant corn. Nonsense. That is way below the cost of production and no farmer would ever do that. They are going to plant based upon what they think they can get in the market next year.

So those are two things. First of all, our raising the caps only apply to this upcoming fiscal year; secondly, there is no way that this modest raising of loan rates will in any way influence any farmer to plant for the loan. In no way would that do that.

And third, I must again remind our Senators and others that in agriculture—I do not know why we never learn the lesson of ag economics—a farmer has a fixed amount of land, he has fixed machinery, he has a lot of fixed input and equity costs. If prices drop, there are those who say, ''Well, see, that will send a message to the farmer. If the prices go down, they will plant less of that crop next year.'' That is not so. Because when you have your fixed base and your fixed amount of land and your machinery, if prices go down, your first impulse is to get more production out of that unit of land. Maybe you will check on fertilizer prices. Maybe you will put on a little more fertilizer. Maybe you will put the rows a little closer together. Maybe you will do some other things. Maybe you will plant a little more on some land you did not want to plant on because you already have the machinery out there.

The marginal cost of production for an additional acre of corn, if you are already planting 500 or 1,000 acres of corn, that marginal cost of planting that extra 20 acres or 50 acres is minimal. Yet, if you can raise your production, well then, that will take care of the lower prices. But that feeds on itself.

I predicted 2 years ago, when the 1996 farm bill passed, that that is exactly what would happen: We would see increasing production. Hopefully, the price would stay up. But if other countries' economies went to pot—and we saw a couple years ago that it looked like that might happen—well, then, prices would drop. And how would farmers respond? They would plant more and produce more. And that is exactly what has happened—exactly what has happened.

We probably have a record production of soybeans this year, near record production of both wheat and corn. But

somehow people just think that agriculture is just like making widgets. And it is not. It is a lot different.

This amendment is very modest—very modest. We are not proposing to change the 1996 farm bill in any way. As I said, this provision is in the 1996 farm bill. It is just capped. We are just raising the caps. We are not interfering with planting flexibility, for farmers to make their own decisions. In fact, we are enhancing the flexibility of farmers to market their commodities when it is advantageous for them to do so.

Then, I know we keep hearing the old refrain about keeping Government out of agriculture.

The PRESIDING OFFICER (Mr. GREGG). The Senator has used the 20 minutes yielded to him.

Mr. HARKIN. I yield myself another 10 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. HARKIN. So we hear the old refrain, get the Government out of agriculture; give the farmers more freedom. That is what this amendment does. If that is what you like, this amendment gives the farmers more freedom. I just ask my colleagues, what kind of freedom do they have in mind when they talk about giving farmers freedom? The freedom to be forced out of business by events beyond their control?

As I said yesterday, I read a comment in the newspaper by one of my colleagues here who said they wanted to give farmers more ability to manage their destiny. I said, I do not understand that. How can my corn farmer in Iowa manage El Nino? How can my soybean farmer in Iowa manage the disastrous Southeast Asian economy? How can our wheat farmers manage the subsidies that other governments give their wheat farmers to compete unfairly with us? How can those wheat farmers manage the disastrous scab disease that we have had in some of our northern Great Plains States? These are all events that are beyond their control.

Is this the kind of freedom that my colleagues have in mind for farmers? To be forced out by events beyond their control? The freedom to be forced to sell their crops at a loss because they cannot afford to hold onto them or get a decent loan to be able to market it when prices improve a little; is that the kind of freedom we have in mind? Is the freedom that my colleagues have in mind the freedom to struggle at poverty-level income while growing the food for our Nation? Is it the freedom for farmers to take less and less and less of the consumer dollar? Is that the kind of freedom they have in mind?

Well, we have heard a lot of arguments on this amendment. It has been claimed that farmers receive more money under the 1996 farm bill than they would have under the continuation of the 1990 farm bill. That is true for the last 2 years when commodity prices were high. You have to understand, in the 1996 farm bill we gave farmers all the planting flexibility, but there was this payment called the Agriculture Market Transition Act payment, AMTA payments, without any payment limitations. No matter what farm income was like, you got a paycheck. I always thought that was kind of ridiculous.

I had a farmer come up to me once in Iowa last year, after the previous year's crop, and he said, ''Gee, I had one of the best years I have ever had. I had a great year, and I got a paycheck from the Government. What are you people thinking about?'' See, I always thought that Government safety nets ought to be there when prices were low. If a farmer can make their money from the marketplace, that is the way it ought to be. But when there are events beyond their control, like bad weather and bad markets and interference by foreign governments, that is when the Government has to come in with a safety net.

The last couple of years farmers got Government payments. But for this year—when prices are in the tank—for wheat farmers they will have less income protection than they would have had under the 1990 farm bill. According to current USDA price estimates, per-bushel payments to wheat farmers would have been 40 percent higher under the 1990 farm bill than they are scheduled to be under the 1996 farm bill this year. That difference would amount to nearly $22,000 for a farmer with 1,000 acres of wheat.

One might infer that these farmers got these Government payments, and they could have taken these payments and sort of invested them and put them in the bank, so to speak, to get them through this year. Sounds nice. But is that really what happened? Hardly.

First of all, a lot of farmers were paying off buildup debt, No. 1. They used the payments for that. No. 2, what happened was, a lot of farmers who rent found that their landlords increased the rent. Why? Because the landlords knew the farmer was going to get this Government paycheck, knew exactly what he was going to get. So the landlords raised the price of rent. Consequently, a lot of farmers did not even see the Government payment that came out in the form of that cash payment under the 1996 farm bill. A lot of farmers did not even get that money. But I will tell you who did get the money. The big farmers. The larger the farmer you are, the bigger the check you got over the last couple of years. And the larger the farmer you are, the better able you are to go through periods of stress.

So it was all kind of screwed up. The bigger farmers got the most money over the last 2 years when prices were high. Now, when prices are low, our smaller farmers can't get enough help. The bigger farmers are able to get through it because they have more equity.

Now we are going to say we can't even modestly raise the loan rates? I don't know, but I would think wheat farmers out there who are suffering would say they could use the ability to market their wheat over the next 15 months rather than have to sell this fall. Right now, the wheat loan is $2.58 a bushel. We are just asking to raise it to $3.22 a bushel. That is not a lot of money, but it might be a little bit of help.

As I said, I think we checked the wheat in Dodge City, KS, yesterday—$2.50 and going down. The first of July, it was $2.64. Now it is down to $2.50 and going down every week. So our wheat farmers and our corn farmers need some help.

I talked about farmers getting less and less of the share. This chart shows the farm share of the retail beef dollar, going down all the time. So for every dollar, when you buy that steak or you buy that hamburger, the farmer is getting less and less from the dollar you spend for it. Here is the pork dollar. Every time you buy a pork loin roast or one of our delicious Iowa chops—if I can put in a plug for that—our pork farmers are getting less and less of that dollar you spend for pork.

Here is the wheat prices—farm-level wheat price. Here is when the Freedom to Farm bill was enacted. Here are the wheat prices, going down, over the last couple of years. Same thing for corn. Here we are coming up to Freedom to Farm; down it comes. So corn prices are going down, also.

There is a crisis out there. We are not talking about increasing consumer food costs or livestock feed costs, nor are we going to price the United States out of world markets. If the price of the commodity is below the loan rate, the farmer can sell at that lower price and repay the loan at the going market price. So the marketing loan does not prop up the U.S. price among world market prices. Hence, there is no adverse impact upon U.S. competitiveness because of this amendment.

Taking the cap off will help our farmers stay in business. The fact is, it may be the only thing that will keep them in business for another year.

Again, we have heard all these arguments, but for the life of me, I can't understand—I can't understand—why we on one day can say there is a crisis in agriculture, Congress has to respond, and 99 Senators vote for that; the next day, we want just a modest increase in the loan rates to help, and we can't do that? I hope that is not so. I hope we do this today.

Lastly, I heard the distinguished chairman of the Agriculture Committee talking about getting fast-track legislation through, as if somehow that is going to help prices this year. Even if fast track were to pass this year, it would take several years to conclude agricultural talks. I point out, the last Uruguay Round of multilateral talks took 7 years. Keep in mind, even if we got fast track through, that is not going to mean a darn thing for 3, 5, 6, 7 years. That will not help this year—not going to help a bit.

Second, the crisis is now, not 7 years from now. It is right now. Sometimes we have short memories around here. We talk about, yes, we will do all this stuff; we are going to get our trade going again.

The PRESIDING OFFICER. The time the Senator requested has expired.

Mr. HARKIN. How much time do I have left?

The PRESIDING OFFICER. The Senator has 14½ minutes.

Mr. HARKIN. I yield myself 2 additional minutes.

In addition, my colleague from Indiana worries about the potential implications for stocks from this amendment. World grain reserves right now, as a percentage of consumption, are at historically low levels. I believe the American people would be appalled to learn that our Government holds virtually no food in reserve to help us out if we ever have a widespread crop failure.

The chairman suggests that if the Government holds this grain, it stays over the market and depresses prices. Not if you have a government reserve withheld from the market—absolutely not true. But this concept of having a modest reserve is not a new idea. Someone said it began with the Roosevelt administration. This is a Roosevelt New Deal idea, to have a grain reserve, and, as such, we had to do away with it because it was a New Deal idea and we don't need all that stuff around anymore.

The concept of a grain reserve is as old as the Book of Genesis. Surely my colleagues remember the story of Joseph interpreting the dream of the pharaoh, that there would be 7 good years followed by 7 lean years and that food should be stored during the 7 good years to feed the people when the bad years came.

It was true at the time of Genesis and it is true today that we need some food set aside in this country and around the world to meet exigencies. For the life of me, I can't understand why people want to ignore history. We ignore it at our own peril. Ignore it, and we will lose more and more farmers, and we will see a day come when there will be panic because we will have those lean years and we won't have any food to help feed our hungry people.

I yield the floor.

Mr. COCHRAN. Mr. President, we are getting to the point where I think the Senate should seriously consider preparing for a vote on a motion to table this amendment. I know the time continues to exist on both sides, but I am hopeful we can yield back whatever time has not been used as soon as everybody who wants to talk has had a chance to talk.

We don't want to cut anybody off. I am not going to do that. I am just expressing the hope that if everybody has had their say on this amendment, and we have had arguments on both sides—we had a very strong, convincing argument by the distinguished Senator from Indiana, the chairman of the Senate Agriculture Committee; we have had discussions on the Democratic side by four Senators that I recall speaking in support of the amendment; Senator DASCHLE talked in support of the amendment yesterday when he offered the amendment—so I am hopeful that those who want to speak will come to the floor and speak on this amendment and then we will have a motion to table and a vote.

I think the time expires sometime a little after 2 o'clock. We had 3 hours on the amendment. That is just a request. I hope Senators will respond to that request so we can make progress to complete action on this bill today.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I inquire of the chairman, I understand we have one other Senator on this side who would like to come down and speak.

Mr. COCHRAN. We will be glad to accommodate that.

Mr. HARKIN. I want to inquire of the chairman—obviously it is well within his right to move to table—why can't we have an up-or-down vote?

Mr. COCHRAN. It is in the order. We negotiated that last night.

Mr. HARKIN. I thought perhaps the chairman might be willing to place this matter for an up or down vote, rather than vote on a motion to table.

Mr. COCHRAN. It was in the unanimous consent agreement. We can get the clerk to read it.

Mr. HARKIN. I am sorry if I am impeding the business of the Senate in raising this question.

Mr. COCHRAN. It was contemplated I would move to table the Daschle amendment. That is what the Democratic leader understood. We talked about it last night. It was in the order as entered last night—3 hours of debate on the amendment—and that is what we are operating under.

I want to remind everybody that it is my intention to move to table and to have a vote.

Mr. HARKIN. It is fully within the chairman's right to do that.

Mr. COCHRAN. It is not any reflection on anyone.

It is certainly not personal.

Mr. HARKIN. I understand that. I hope we have an up-or-down vote.

Mr. COCHRAN. Mr. President, I yield such time as he may consume to the distinguished Senator from Kansas, Mr. ROBERTS.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Mr. President, I thank my distinguished friend, the esteemed chairman of the Appropriations Subcommittee. Let me say how much I appreciate his perseverance and patience as we work to try to get what I think is a very good agriculture appropriations bill.

I made some remarks yesterday. I will not take up much time of the Senate to go over that again. But I do have some comments, more especially as to the criticism by those across the aisle in regard to the loan rate and in regard to the Daschle amendment which, I understand, is intended to be of help to the farmers and, more especially, the farmers in the northern plains who are going through a very difficult time.

Mr. President, we have heard that there is no longer a ''safety-net'' for America's farmers. Advocates of this position argue that we must extend marketing loans and remove the caps on loan rates. Based upon recent figures, it is estimated the loan rate for wheat would rise to $3.17 per bushel from its current level of $2.58. However, when you add the transition payments of 63 cents per bushel on the historical base that farmers are receiving for wheat, you have a new safety net of $3.21. We are told raising the loan cap will cost nearly $1.5 billion for one year. And, if we were to come back and make the increase permanent, we are told it would cost $3.5 billion to $4 billion over five years. Why should we approve amendments that will bust the budget when they provide a lower safety net than the current program?

Raising and extending loan rates will not improve prices and producer incomes. Extending the loan rate actually results in lower prices in the long-run. Extending the loan for six months simply gives producers another false hope for holding onto the remainder of last year's crop. Farmers will be holding onto a portion of the 1997 crop, while at the same time harvesting another bumper crop in 1998.

Thus, rolling over the loan rate actually increases the amount of wheat on the market and results in lower prices—not higher prices. Since excess stocks will continue to depress prices, will we then extend the rate again? It will become an endless cycle that will cost billions of dollars, and which will eventually lead to a return to planting requirements and set-aside acres in an attempt to control agricultural output and limit the budgetary effects. Where will we get the offsets the Senate and House will require?

Extending and raising loan rates will only serve to exacerbate the lack of storage associated with the transportation problems in middle America, because it simply causes farmers to hold onto their crops and fill elevator storage spaces. Kansas just harvested its second largest wheat crop in history and there are predictions of record corn and soybean crops in the fall. If we do not move the wheat crop now, it will create transportation problems in the fall that will surpass anything we experienced last year.

I feel it should also be mentioned that advocates of higher or extended loan rates argue that it will allow farmers to hold their crops until after the harvest when prices will rise. To those who advocate this position, I would point out that Kansas State University recently published a report

which looked at the years 1981 through 1997 and compared farmers earnings if they held wheat in storage until mid-November versus selling at harvest. In all but five years, farmers ended up with a net loss as storage and interest costs exceeded the gains in price. Simply put, extending and raising the rates provides a false hope for higher profits that most often does not exist.

Mr. President, we must ask what is the purpose of loan rates? Are they intended to be a marketing clearing device or a price support? They cannot be both as the other side of the aisle would. And, if we set price at $3.17 it very well may become a ceiling on price.

Mr. President, raising loan rates is simply not the answer. We need to continue on course and continue to pursue the new trade markets and tax relief that farmers need. And, as I mentioned yesterday, I would remind my colleagues of the meeting 14 Senators had with 12 major farm organizations approximately one month ago. At the top of every organizations wish list was trade, trade, and more trade.

Mr. President, I mentioned yesterday that I like to think I have spent more time on the wagon tongue listening to our farmers than any Member of Congress. And, farmers tell me to leave loan rates alone. They want export markets opened. They want sanctions that shoot them in the foot removed. These are the policies we should be pursuing, not the policies of the past that put our farmers at a competitive disadvantage in the world market.

Mr. President, I ask unanimous consent that two articles, which fit within the restrictions of Senate rules, by Pro Farmer's Washington Bureau Chief Jim Wiesemeyer, be printed in the RECORD. One is regarding failed policies of the past, and the second one is regarding trade policy.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Inside Washington Today, June 18, 1998]

POPULIST DEMOCRATS AGAIN PUSH FAILED POLICIES OF THE PAST

(By Jim Wiesemeyer)

Saying ''I told you so'' to any lawmaker and any person or farmer who either voted for or pushed for the 1996 Freedom to Farm legislation, a group of decidedly populist Democrat senators on Wednesday railed at the omnibus farm policy contained in that legislation and said it was that measure and not trade problems which alone is the reason for slumbering U.S. commodity prices.

The group of naysayers to Freedom to Farm who showed up at a press briefing with very few answers to questions were: former House Speaker and very likely presidential candidate Rep. Dick Gephardt (D-Missouri), Senate Minority Leader Tom Daschle (D-S.D.), and Democrat Sens. Tom Harkin (Iowa), Paul Wellstone (Minnesota), Kent Conrad (N.D.), Tim Johnson (S.D.) and Byron Dorgan (N.D.).

What they said and didn't say: Headed by Daschle, the group squarely and wrongly laid the blame for the current farm price doldrums with the Freedom to Farm concept enacted into law in 1996 and signed by President Bill Clinton who did not receive a veto recommendation from his Secretary of Agriculture Dan Glickman.

Displaying price charts showing the decline in commodity prices since 1996, the lawmakers took turns ''briefing'' the Washington press corps (but very few took questions), claiming the 1996 Farm Act failed and they could all say ''I told you so'' to those who voted for the package.

''This was radical, extreme policy brought on by (House Majority Leader) Dick Armey (R-Tex.), Gephardt charged. Others at the gathering quickly chimed in to say it was merely a ''Republican farm bill.''

Sen. Wellstone pledged an ''all-out, full-court press'' to get the following four main components of the group's plan enacted into law: dramatically increasing commodity loans rates and allowing 6-month loan extensions; addressing livestock concentration and requiring labels on imported meat; waiving of sanctions on agricultural trade; making indemnity payments to farmers.

Where's the proof? The senators cited dramatic downturns in farm income but based that on data from the Bureau of Economic Analysis (Commerce Department) regarding personal income derived from farming.

The group should have referred to a recently completed USDA analysis of spring wheat farms in the Plains states. That survey shows that in 1996, the average net cash farm income for these spring wheat farms was $37,500; in 1997 it was $14,500; and a projected 1998 net cash farm income of only $5,000.

The USDA info clearly shows pain, and a crisis for spring wheat producers in a specific area of the country. But as one USDA official told me this morning, ''Do we have a crisis in U.S. agriculture today or a regional crisis, and if we do, what is the best way to deal with it?''

Certainly a blunt instrument of help would not be to jack up wheat loan rates to over $4 as proposed by Sen. Conrad.

Populist Democrat senators didn't note popular Freedom to Farm transition payments. USDA data show that for the 1996, 1997 and 1998 crops (combined), Freedom to Farm legislation will provide $7 billion to $8 billion in additional payments to farmers that would have been the case under the prior farm policy. Talk about indemnity payments!

Sure, if loan rates would not have been capped via the 1996 farm bill, there would have been a larger cash infusion this year especially for wheat producers, but certainly not the prior two years relative to those payments I previously mentioned, and when wheat prices were higher to much higher than current values.

I asked several USDA analysts to list reasons why U.S. commodity prices are lower. They listed the following two major reasons:

1. Lack of export growth.
2. Good grain crops around the world the last three years.

What does the above have to do with Freedom to Farm? Nothing.

Questions for the populist senators. While the senators didn't take much if any time to answer reporter questions, here are a few they should ponder:

Rep. Gephardt labeled Freedom to Farm legislation as a ''radical extreme policy brought on by (House Majority Leader) Dick Armey'' (R-Tex.).

Question: Since you will very likely run for president in the year 2000, why didn't you say that President Clinton should have vetoed the farm bill? Why didn't you say that USDA Secretary Glickman should have recommended a veto?

Another question: Rep. Gephardt in the 1985 farm bill debate, along what Sen. Harkins, pushed mandatory supply controls. That was soundly repudiated by Congress, which just so happened to be controlled at the time by Democrats. If there is one major aspect of Freedom to Farm that most non-dissident farmers love, it is the planting flexibility contained in that legislation. Do you agree?

Sen. Byron Dorgan said the group ''didn't have the details'' regarding their proposals and thus did not know the costs. ''We're working on a number of things,'' Dorgan said.

Question: It would be costly, and not just in budget outlays, but in a return to failed farm policies of the past. Why don't you agree?

A specific question for Sen. Dorgan: You keep pushing for targeted farm program payments, having done so for what appears to be over 10 years. Some analysts told me to ask you, ''What chances do you think of this happening? And are they simply to provide feel-good comments for the folks back home?''

Questin to all Democrats: Many Democrats in Congress honestly say they are showing some fiscal discipline. But to propose major changes in farm policy without any budget assumptions runs counter with the previous goal. Question: What are the costs? And to the extent the agriculture committees boost spending on any of the Democrat senators' proposals means a budget offset would have to be found. What will be cut to pay for your proposals?

Sen. Harkin said that by just removing the loan cap on wheat, prices for wheat would be 25% higher than current levels and corn prices would be up 20% from their current level. Question: U.S. commodities are already having trouble competing in the export market, why do you think higher prices at this time would bode well for exports? And would this not also provide incentive for increased production for wheat and corn outside the United States, as was the case under prior U.S. farm policy when loan rates (not an income transfer tool) were set much higher than market-clearing levels? And, wouldn't such a scenario cause prices to eventually be lower than the track they currently are on?

Also, why wouldn't pushing prices far above market-clearing levels result in government-owned surplus wheat that no one wants and lead to calls for a return to an ever upward spiral of set-aside requirements to slow the growth in the mountain of government-owned grain? Usually the answer is, ''Marketing loans will take care of that?'' But that raises the question again: ''At what cost?'' And if marketing loans shouldered those significant costs, wouldn't they be seen as a subsidy by the rest of the world and completely undo many years of work on trade issues and renew the race toward subsidized production and subsidized exports worldwide?

What many farmers say are the big-ticket issues: Ask a group of farmers what their long-term issues and concerns are and you will surely find disagreement, but based on many conversations with this great industry, they boil down to the following three areas:

1. Taxes.
2. Environmental regulatory reform.
3. Trade issues (sanctions, denied market access, etc.).

To repeat, farmers in the Northern Plains are hurting and hurting bad. I met Wednesday with several North Dakota farmers at the Washington office of the National Farmers Union. It didn't take many testimonials to feel their pain. As for the reasons why, they centered on low yields, scab and drought—compounded by those events happening in successive years with a crop insurance program unable to cope with those events. Solution: fix crop insurance.

Is this just an aberration of bad luck? Or, should the United States come up with a regional assistance program rather than changing comprehensive U.S. farm policy?

Northern tier farmers need help, but they're certainly not going to get it based on the political-platform briefing the stated Democrat senators provided on June 17.

We asked USDA Secretary Glickman to comment on remarks the Democrat senators made Wednesday. Glickman said current farm policy needs some modifications to address low prices and growing problems in some regions.

''I think the best view is to not engage in recriminations, but to recognize that there are strengths and weaknesses in the Freedom to Farm legislation,'' Glickman said. 'One of the weaknesses,'' he added, ''is the inability of my office to respond when prices are weak and supplies are high. I think that Freedom to Farm needs some modifications to it, and we're working on it now.''

Asked how much in payments farmers have received in the past several years under the Freedom to Farm compared to what would have been the case under the previous farm policy, Glickman replied, ''Many billions (of dollars)—I can't tell you how much. (I've provided him the answer, above.) The first two years (of current farm policy), there was much more (paid to farmers via market transition payments) than (would have been the case) under the old program. This year, it's hard to tell, but I think in some of the crops it might be less.''

Regarding current prices and global supply and demand, Glickman said grain supplies are high for a lot of reasons—Asian markets are weaker and higher U.S. dollar valuations have reduced exports, resulting in higher domestic supplies.

Also, Glickman said he lacks the marketing tools available to previous ag secretaries.

''I don't have the power to deal with the marketing of commodities in the way that prior (USDA) secretaries have had,'' Glickman stated. ''I think those things need to be fixed.''

Glickman pointed out that the lack of federal disaster programs for farmers and a crop insurance program that works better in some parts of the country and not so good in other regions as a difference in the tools he has available versus previous USDA chiefs.

''So, without any kind of intermediate assistance,'' Glickman concluded, ''it makes it difficult to respond to certain conditions in some regions of the country that have been currently (adversely) affected.''

Bottom line regarding the populist Democrat senators' proposals: A wise man once said that one form of insanity is doing the same thing over and over and expecting a different result.

[From Inside Washington Today, June 19, 1998]

FAST-TRACK APPROVAL PART OF TOP AG AGENDA

[By Jim Wiesemeyer)

What a difference a day and different senators make when it comes to the focus of U.S. agriculture and trade policy. Thursday we highlighted the drive by some Democrat farm-state senators to change U.S. farm policy to address the current very low price and income situation in parts of the country but especially the Northern Plains. Their plan focused on higher loan rates, extending commodity loans and making indemnity payments to producers.

By stark contrast, some Republican farm-state Senators Thursday morning met with 12 farm and commodity groups to prioritize the farm policy agenda. These lawmakers and farm group representatives did not recommend wholesale if any changes to the 1996 farm act. Instead, they focused on what can be done in trade and trade policy to keep U.S. agriculture products moving to overseas markets.

Republican senators huddle with farm commodity groups on priority agenda. In a meeting Thursday with major farm groups, the session concluded with the following list of priorities: Reauthorization of presidential fast-track trading authority; IMF funding and reforms; passage of sanctions reform legislation; Most Favored Nation (MFN) trading designation for China; stronger oversight on GMO and biotechnology negotiations; full funding for Sen. Dick Lugar's agricultural research bill; estate tax reform; and reform of the farm savings system

Farm groups represented at the session: American Farm Bureau Federation; American Soybean Association; National Association of Wheat Growers; National Barley Growers Association; National Corn Growers Association; National Cattlemen's Beef Association; National Cotton Council of America; National Grain Sorghum Association; National Grange; National Oilseed Processors Association; National Pork Producers Council; and National Sunflower Association.

Senators participating in the agenda-setting confab: Majority Leader Trend Lott (R–Miss.); Senate Ag Committee Chairman Dick Lugar (R–Ind.); Senate Ag Appropriations Chairman Thad Cochran (R–Miss.); Pat Roberts (R–Kan.); Conrad Burns (R–Mont.); Larry Craig (R–Idaho); Craig Thomas (R–Wyo.); Rod Grams (R–Minn.); Chuck Grassley (R–Iowa); Dick Kempthorne (R–Idaho); Chuck Hagel (R–Neb.); Wayne Allard (R–Colo.); and Mitch McConnell (R–Ky.).

What was said and wasn't said: ''Farmers and ranchers tell us they don't want the government back in their back pockets,'' says Sen. Burns. ''That means doing everything we can to open up markets to them and to provide more of the agricultural dollar to the producer level. We've also determined that while trade is very important, issues such as fast track are worthless unless the (Clinton) administration commits to sending trade negotiators abroad who are sensitive to the needs of agriculture.''

Burns said that while income averaging and some estate tax relief has come for farmers, more still needs to be done.

Sen. Lugar says the group agreed that ''the current debate should not be about changes to the 1996 Farm Bill, as some are proposing, but what can be done in this new farm environment to move ahead.'' The Senate ag panel chairman noted ''there are some, even in the Senate, who are talking about supply management,'' a policy that Lugar labeled as ''a defeatist, defensive policy.''

Lugar was asked to comment on proposals unveiled Wednesday by a group of Democrat senators which included a call to raise loan rates and to make indemnity payments to farmers. ''These would not be helpful,'' Lugar responded. ''We've gone down that trail before. They led to an increase in supplies so that the price was depressed for years, not just a few months.''

''Why people want to repeat history . . .'' Lugar continued in his pointed comments regarding some Senate Democrats' farm policy proposals. ''My own view,'' he said, ''is that we would not change the loan rate, we should not extend the loan (term), we should not be sending indemnities out, we should not be sending massive amounts of money. We've got a good, solid farm policy.''

Sen. Pat Roberts, the ''father of Freedom to Farm'' when he was House Ag Committee chairman, also responded to alternative farm policy proposals from a small group of Democrat senators. He said he would be the first one in line to back raising loan rates if that was a sound idea. Key word there is if.

The issue of loan rates, Roberts continued, comes down to a debate on the purpose of the loan program. ''You have to have a policy judgment,'' Roberts stated. ''Do you want the loan rate to be a market-clearing device, or an income protection device?'' He noted that today, farmers are receiving ''transition payments that are twice as much as they would have had under the previous (farm policy) program.''

Roberts zeroed in on farm woes in the Northern Plains. He said a look at what is causing the trouble in this region shows: ''Number one, you've had bad weather; ''Number two, you've had wheat disease for six years; ''Number three, you've got some real border problems with Canada; ''Number four, (Northern Plains) cost of production is historically higher.''

''There is a serious problem'' in the Northern Plains, Roberts stressed. ''But what is the answer?'' he asked. He said a return to the failed policies of the past such as raising the loan rates ''is a dead-end street.''

Roberts signaled a possible assistance tool ahead for needy producers when he said he has talked to USDA Secretary Dan Glickman about credit issues such as getting loans on coming Freedom to Farm transition payments.

Sen. Chuck Hagel focused on getting the IMF funding package and fast-track negotiating authority as top priorities.

Hagel admitted that the House Republican leadership will have to be encouraged to bring these measures up for votes. But he quickly added, ''Let's recall that all trade issues have been non-partisan,'' noting that he certainly hopes the situation remains that way.

Fast-track gets new life. One of the top agenda items Lugar and other senators mentioned was getting the administration fast-track trade negotiating authority. Consider the following recent developments:

Sen. Roberts said that while he can't and won't speak for House Speaker Newt Gingrich, discussions he's held with Gingrich indicate a plant to bring fast track to a vote in the House in September. Roberts says, ''Why wait? Let's do it now!''

Gingrich, in an interview with CongressDaily earlier this week, confirmed that Congress will consider fast-track trade legislation sometime before adjourning this fall. He cited the ongoing Asian financial crisis as a reason to bolster the United States' trade position. He said renewing this authority to negotiate trade deals via fast track would be good for U.S. business, particularly agriculture.

House Ag Committee Chairman Bob Smith (R–Oregon) said he is waiting for a response from the Clinton administration to a previous proposal he made that he estimates could deliver up to 30 votes for fast track. That could be enough to pass the contentious trade measure.

Smith sent a letter last month to U.S. Trade Representative Charlene Barshefsky proposing the administration change authorizing language in the measure so the House and Senate Ag panels would have greater authority to review implementing agreements related to fast track. (In Beijing this week, Barshefsky welcomed Gingrich's call for a vote on fast-track trade legislation this year.)

''If they give me the go-ahead,'' Smith said he could ''deliver the votes.'' Noting the fast-track measure was within around 10 votes of achieving House passage last year, Smith said his idea could help switch as many as 30 votes. He said his approach would allow members to ''cross over and they could then go back home and answer the people who say that agriculture always gets traded out.''

Sen. Grassley this week called on President Clinton to ''back up his speech that he made in Geneva'' on the importance of trade. He further called on Clinton to use ''his power of persuasion'' and the ''power of the office'' to muscle up support for fast track.

Sen. Bob Kerrey (D–Neb.) said that without the ability to negotiate trade deals and keep U.S. ag trade moving, ''serious problems facing U.S. agriculture today are apt to get worse.'' He added that U.S. agriculture is relying heavily on ''demand in foreign markets.''

Bottom line: sooner or later in this town common sense prevails. Momentum for getting congressional approval of fast-track trade negotiating authority is growing. But in the past, fast-track proponents didn't keep the issue front-and-center. It looks like farm groups and others have learned some hard lessons. Frankly, I think fast track would have passed before if there would have been an actual vote on the floors of Congress (a minority viewpoint, for sure). Let's just hope a vote occurs this time, this year. We need to see the true Hall of Shame of those lawmakers who vote against authority to simply negotiate. Any trade agreement can be voted down. But not to give U.S. trade negotiators a chance can only be deemed for what it is: protectionism in disguise.

And if Rep. Smith gets his worthwhile proposal okayed, then farm-state lawmakers voting against fast-track would have a lot of fast explaining to do—to their agribusiness constituents.

The PRESIDING OFFICER. Who seeks recognition?

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time run equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, I wanted to correct myself. I did look at the order that was entered. The Senator from Mississippi is right. The order was entered that there would be a motion to table. I did not think that was the case. I stand corrected.

Mr. President, I was still waiting for one Senator on our side to come and speak. So, again, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I yield the 5 minutes remaining to the distinguished Senator from Louisiana, and then I will use my leader time to close up the debate on this amendment.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Thank you, Mr. President. I thank our leader for yielding time to me.

I wanted to speak earlier for the RECORD to give my distinguished colleague from Iowa some words from Louisiana. We talk a lot about the Midwest and the Northwest, and the difficulty that our farmers are experiencing, actually all over our country. And the South, Mr. President, is no different.

I had a very lengthy conference call with the leaders of many of our commodity groups. I am sorry to bring to this floor that the situation is fairly urgent in Louisiana. I am sure that is true in other places in the South. They are facing economic hardships, unparalleled in many instances. In fact, I asked Ken Methavin, one of our cotton producers from Natchitoches, LA, if he could describe the situation. He said, ''Ms. LANDRIEU, there ain't nobody alive that has ever seen anything like this for a hundred years.'' We are experiencing in Louisiana a 100-year drought, and for us with usually an ample supply of water it is hard for me even to be able to speak here about the situation that the farmers are experiencing. It is very unusual.

Over the past 3 and a half months, our State has received virtually no measurable rainfall in the crop-growing regions of the State. As of this week, the average rainfall totaled 13 inches below our State average.

In addition to facing one of the worst droughts in our history, the State is experiencing very high temperatures, over 100 degrees. The combination has resulted in extensive damage to our corn crop.

Our soybean farmers, in addition, tell me that about a third of their crop will be in jeopardy.

Our dairy farmers continue to face not only the weather conditions—the lack of water and the high temperatures—but depressed prices are also driving many of them out of business. Milk production has decreased more than 50 percent, in addition, due to damaged pastureland.

Our cotton and rice farmers are also expecting to suffer from the drought. In addition, the Asian financial crisis, which has not yet completely hit, threatens to further complicate the situation.

Our forest production report is equally disturbing. We planted 100 million seedlings this last year and to date have lost over 50 million, and 15,000 acres of forest in Louisiana have burned, resulting in fire not to be compared to what is happening in Florida, but still a significant amount of acres has been lost.

In parish after parish, I am hearing nothing but grim news about the impact of the drought on depressed prices in some areas, and the extreme heat. I am told that even with crop insurance under the current Crop Insurance Program, many of our farmers will not be able to recoup any measurable portion of their input costs. Other farmers who are not eligible for crop insurance have no similar assistance at all to avail themselves of.

So I am pleased to be here today on the floor to join our leader, Senator DASCHLE, in his plea—his urgent plea—for this Congress to come together and to give appropriate assurance and appropriate measures to our farmers at this time. It is not enough, Mr. President, I don't think, to pass a sense of the Senate. What is appropriate is to give meaning to that resolution that we passed yesterday. We should have specific, concrete relief and a safety net for our farmers to get them through a difficult time and to realize that perhaps the laws that we have outlined are not perfect and could be improved with some changes that our leader has put forward.

So I am happy to join him today, and Senator HARKIN, to continue to fight and to support our farmers not only in Louisiana but around the Nation.

Thank you, and I yield the remainder of my time.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democrat leader.

Mr. DASCHLE. Mr. President, I thank the Senator from Louisiana for her excellent statement and appreciate very much her reflecting on the seriousness of the situation in Louisiana as well.

As I noted, Mr. President, I will use my leader time to finish the discussion of this amendment.

I think this poster probably says it as well as anything. The only thing I would call to everyone's attention is that when it says ''rural S.D.,'' it could say ''rural Louisiana,'' it could say ''rural Illinois,'' or it could say ''rural'' any State in the country. ''Ag slump threatens rural''—blank. For me, it is ''rural S.D.''.

The problems that we are having here that are outlined in these articles say it very well. Prices have dropped dramatically. Prices have dropped in corn, in wheat, sorghum, barley, soybeans—you name the commodity. Prices have plummeted. It is not just the grain, it is the livestock as well.

There is a statement here in the first part of the article by David Kranz, the Sioux Falls Argus Leader.

Mr. President, I ask unanimous consent that these articles, one by David Kranz of the Argus Leader, and the other by Kevin Woster of the Argus Leader, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Argus Leader, July 15, 1998]

AG SLUMP THREATENS RURAL S.D.—SMALL TOWNS VULNERABLE TO DOWNTURN

(By David Kranz)

As politicians scramble to prop up a flagging farm economy, South Dakota's small-town main streets are bracing for the financial ripples.

Cheap grain coupled with depressed livestock prices have farmers in an unusually tight economic clutch this summer. And some small businesses are already seeing the effects.

''We are seeing a major impact. It's all because of $2 corn and under—$5 beans and

going lower. And you have $30 hogs and $50 cattle. I don't know if you could call it a depression, but it is awfully close to it,'' said Tom Reecy, owner of Reecy Farm Supply Co. in Dell Rapids.

Contributing to farmers' problems are weakened demands for agricultural imports and some prolonged periods of weather disasters and crop diseases. Some agriculture economists are predicting financial fallout as harsh as during the farm crisis of the mid-1980s.

Some small businesses, already struggling to survive economically, may lose the battle.

''Those (towns) that are detached from urban centers may have some problems. When a community becomes totally dependent on one industry, any blip on the graph will hit them more than your commuter towns,'' said James Satterlee, head of the Department of Rural Sociology at South Dakota State University.

Satterlee said many small towns have been reluctant to accept change and diversify their economies over the years.

Census reports show about 200 South Dakota communities are steadily losing population, and some of those will be vulnerable to another downturn in agriculture.

''If those towns have been diversifying, it won't be as severe. There will be less chance of impact because of something that happens with one particular product,'' Satterlee said.

Freeman is one South Dakota community largely dependent on the ag economy. The town is also watching its population continue to shrink.

Rita Becker closed her clothing store in Freeman in March because the store was no longer profitable. She now works on the farm with her husband, Rudy.

''When we talk with people in the business, ag prices are a part of it, but another part is that people just go elsewhere to shop. We are 50 miles away from Sioux Falls, but nowadays, 50 miles isn't a long ways to drive.''

The current agricultural situation has Becker and her husband questioning the advantages of farming.

''We are in our mid-40s. We raise about 500 acres of beans and corn. Hearing my husband speak with his friends, they are discouraged. People have just had it. They have farmed all their lives and there is just no money in it,'' she said.

HARDWARE STORE HURTING

Down the street from where Becker once did business. Don Wipf is watching a decline in agriculture-based spending at the Coast-to-Coast hardware business his family has owned for 59 years.

''We have seen it coming for a couple of years. The farmers aren't spending money like they normally do. Sales are down. I think they are buying more nonnecessities,'' he said, ''They notice it over at the grocery store, too. They are buying more of the cheaper cuts of meat these days.''

Wipf says Freeman business people are worried about the future.

''Everybody is trying to come up with ways to keep the businesses we have. It is just generally tough for small towns. I wish we could come up with an answer. I'd be rich.''

CENSUS NUMBERS DOWN, TOO

Things aren't much brighter in Redfield. This community, located between Aberdeen and Huron, is also losing population. The 1996 census update showed another 3.3 percent drop in population from the year before.

Rod Siegling owns the family's grocery store, Siegling Super Value, which has been operating in Redfield for 40 years.

TOUGHER IN BAD TIMES

He has seen the ups and downs that come with agricultural prosperity and decline, but says it is getting tougher to absorb the bad times.

''It hasn't had much of an effect yet, but it will come gradually. They will watch how they spend their dollar,'' he said.

Ironically, a drive through the countryside this summer can be deceiving, he said.

''The crops look good, but it isn't worth anything if you can't get a good price,'' he said.

Feed is Reecy's business and he has ridden the agriculture price roller coaster since 1973.

''It (the farm economy) has affected our total feed business very dramatically. Our major customer with 20 to 50 sows . . . They are just getting out,'' he said ''That style of person is farming their farm land, looking to cash it out and look for another job.''

The low prices don't reduce farmers' financial obligations, though, Reecy said.

''At the same time they all know their taxable valuation is going up. School cost is going to go higher. Those things have them very concerned.''

Tim Clarke hears the talk from farmers about the pending economic predicament. He opened a farm equipment business last April in Howard.

''I am starting from scratch. I have nothing to compare with, but I sell smaller ticket items like live-stock-handling equipment and business has been good,'' Clark said.

TRYING TO STAY POSITIVE

Although he prefers to stay positive, he's also realistic.

''I try to ignore it (talk of the bad farm economy), Agriculture has always been cyclical. But if it (the downturn) is not brief, there will be nothing but tail lights in this part of the country.''

[From the Argus Leader, July 15, 1998]

DEMOCRATS TURN UP HEAT ON FARM ACT

(By Kevin Woster)

South Dakota's two U.S. senators joined other Democrats on Tuesday in an increasingly pointed attack on Republican-inspired farm policy that critics claim has failed.

In an assault that Democrats hope can produce more congressional seats as well as better market prices. Sen. Tom Daschle said almost every major commodity has dropped in price since Congress in 1996 passed the Freedom to Farm Act.

That act is phasing out decades-old farm subsidies and production controls in favor of free-market, free-planting policies. It allows farmers to take better advantage of market highs but also leaves them more at risk during lows.

''We've seen some of the lowest prices in decades for months now,'' Daschle said during a teleconference with reporters across the nation. ''We'll see a serious decline in farm prices for the foreseeable future unless something is done.''

That something is included in a five-point relief plan presented Tuesday by Daschle. Sen. Tim Johnson and Democratic senators from Iowa, Minnesota and North Dakota.

The Democrats intend to offer the rural relief package as amendments to an agricultural appropriations bill. The Senate could vote on some parts of that proposal today.

On Tuesday night, the Senate approved an amendment by Daschle acknowledging that there is a crisis in farm prices and that it must be addressed. Daschle and other senators are scheduled to meet with President Clinton tonight to discuss the situation.

The center of the Democrats' package is a proposal to increase the rate and extend the repayment period for government marketing loans. Farmers can use the loans, based on a set price per bushel, to acquire operating cash. When prices rise, they can sell their grain for a batter price, repay the loans and have money left.

Other provisions would require large meatpackers to reveal more information about prices they pay for livestock, require labeling of imported beef and lamb, boost foreign-trade programs and create a $500 million fund for targeted disaster assistance.

Providing a higher loan rate and a longer repayment period—from the current nine months to 15 months—would give farmers more cash immediately and allow them more time to find better markets, Democrats said.

Critics complain about the cost, which Daschle said would be $1.6 billion a year. They also worry that the longer marketing period could allow grain stocks to build and actually depress prices.

''The buyers know that product is there. And it has to come to market sometime. It can't stay in the bins forever,'' said Kimball farmer Richard Ekstrum, past president of the South Dakota Farm Bureau.

The Farm Bureau supports the current farm bill, while the South Dakota Farmers Union has pushed for changes, including those advanced by the Democrats.

Ekstrum said he supports some portions of the Democrats plan, such as provisions aimed at improving foreign markets. He said market development is the long-term key to better prices.

Although raising the marketing loan rate might help boost prices for grain farmers, even that benefit creates negative impacts in the complicated world of agriculture, Ekstrum said.

''That loan rate has an impact on grain prices, which livestock producers have to purchase. And they already are in a very tight squeeze. If they have to pay more for grain, they might cut production,'' he said. ''There's just no simple solutions.''

Ekstrum said the depressed market prices re painful for farmers, but the entire outlook isn't bleak. Many farmers in South Dakota have promising fields of corn and soybeans, he said.

''It's not in the bin yet. But right now we have the potential for yields much, much above what is average. If you can produce more grain with the same inputs, that's always a positive thing,'' he said.

South Dakota's Republican congressman, Rep. John Thune, said he probably would support the loan-rate increase. He also might support the loan-repayment extension, although he worries about the potential effect of stockpiling more grain.

Either way, the Democratic plan faces a hard collision with Republican leaders intent on maintaining the new free-market, less-government approach to federal farm policy, Thune said.

''When you get outside of the Northern Plains states, they aren't experiencing the type of stress that we are, so it's a harder case to make,'' Thune said. ''I certainly don't think there's any inclination there now to overhaul Freedom to Farm.''

Supporters of current farm policy think the long-term answer is in new and expanded foreign agricultural markets, which will help boost market prices. The House moved Tuesday evening to help in that area by approving a companion bill to one already approved by the Senate exempting agricultural commodities from trade sanctions imposed against Pakistan and Indian.

Thune said work on foreign trade needs to be a national priority. But he said there might be ways to provide farmers and ranchers with needed assistance while maintaining the free-market approach.

He hopes to announce related proposals later this week.

Democrats said that without immediate action, Congress will fail rural America.

Sen. Byron Dorgan, D-N.D., said farmers in his state are experiencing a 98 percent drop in farm income in one year because of lower market prices, crop diseases and weather problems. Such severe financial pain deserves federal assistance, he said.

''It isn't a wind or tornado. It's not a flood. It's not a fire. It's not an earthquake. But it's every bit a disaster,'' Dorgan said.

Johnson said the Freedom to Farm concept, which phases out farm subsidies by 2002, amounted to giving farmers ''five years of declining payments, then a pat on the back and good luck.''

Johnson continues to push for meat labeling laws that would allow consumers to choose between U.S. and imported meats. He said that would help lift prices for U.S. livestock producers.

Mr. DASCHLE. Mr. President, I will quote from the article:

''We are seeing a major impact. It's all because of $2 corn and under $5 beans and going lower. And you have $30 hogs and $50 cattle. I don't know if you could call it a depression, but it is awfully close to it,'' said Tom Reecy, owner of Reecy Farm Supply Co. in Dell Rapids.

Contributing to farmers' problems are weakened demand for agricultural imports and some prolonged periods of weather disasters and crop diseases. Some agricultural economists are predicting financial fallout as harsh as during the farm crisis of the mid-1980s.

This isn't a Democratic Senator saying this. This isn't even a farmer saying this. What they are saying is that, because of these falling crop prices, you have got the owner of a very important business in Dell Rapids, SD, saying, ''It's over.'' Its over unless we change what is happening out here today.

The article by Kevin Woster makes it very clear that the problem goes beyond—it is not on this chart—but it goes beyond Dell Rapids, SD. He talks about Redfield, a very important community in the northeastern part of our State. The 1996 census update showed a 3.3 percent drop in population in just that year. Rod Siegling owns the family grocery store, Siegling Super Value, which has been operating in Redfield for 40 years.

Mr. Siegling talks about the extraordinary reduction in the business in his store, in the article that I have already inserted in the RECORD. Why? Because prices are so low people can't afford to buy their groceries.

Mr. President, I have one other matter I would like to insert in the RECORD, and that is a letter sent to the chairman of the Senate Agriculture Committee by the Tripp County Board of Commissioners: Louis Polasky, Ray Petersek, Harold Whiting, Neil Farnsworth, and Marion G. Best.

I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the _____ was ordered to be printed in the RECORD, as follows:

TRIPP COUNTY
BOARD OF COMMISSIONERS,
Winner, SD, July 7, 1998.

Senator RICHARD LUGAR,
Chairman, U.S. Senate Agricultural Committee, Senate Hart Building, Washington, DC.

DEAR SENATOR LUGAR: The Tripp County Commissioners are writing this letter to inform you as to the economic disaster involving the farmers and ranchers in Tripp County, South Dakota.

The county consists of approximately 700 farm and ranch families in a populas of 6,900. During the last decade, the devastating effect of low commodity and cattle prices have affected every household in the county. Commodity prices at the 1950 levels have continued the exodus of our youth to cities for jobs while the age of our farmers and ranchers average in the 60's.

Ever since the NAFTA and GATT agreements were entered into, the farm and ranch economy has plummeted. While trying to become more efficient, they cannot compete with the inflationary rate that the rest of the economy or businesses have placed on their products while receiving historical low prices!

While the large four packers have capitalized on the livestock market, the stock market moves up or down only to the pleasure of the traders' profit at the expense of the farmers and ranchers. Where else can a market move lower because it rains in Indiana or higher because Texas is dry!

It has, for these reasons and many others, become very important for the need of assistance to restore a safety net to grain and livestock producers! All our producers need are fair prices for both grain and livestock and the rural economy will heal itself! This crisis has escalated to the point where immediate help is needed. The rural outcry has become a deafening cry for help.

Sincerely,

TRIPP COUNTY COMMISSIONERS:
LOUIS POLASKY,
Chairman.
RAY PETERSEK.
HAROLD WHITING.
NEIL FARNSWORTH.
MARION G. BEST.

Mr. DASCHLE. I will simply read one paragraph:

During the last decade, the devastating effect of low commodity and cattle prices has affected every household in the county. Commodity prices at the 1950 levels have contributed to the continuing exodus of our youth to cities for jobs while the age of our farmers and ranchers average in the 60s.

Yesterday, the Senate voted 99 to nothing simply to say, with bipartisan emphasis, we hear you. We understand. We know that when prices are this low, you are going to see the consequences as reported in these stories and this letter.

Today, we now offer our solutions. This amendment, the one upon which we will be voting briefly, lifts the cap on marketing loans and extends the loan term as one of the most consequential ways with which to respond immediately to the problem of low prices.

Why? Because we are giving farmers some flexibility to say, look, if the prices continue this way, I am going to take out a loan for at least 15 months to see if all of the other things they are doing out in Washington and throughout our agricultural economy will give me a better price later on.

That is what we are suggesting. Let's give our farmers the opportunity to obtain a better option in the short term. We are talking about farmers' ability to survive the 1 year that this amendment takes place. That is all it is, 1 year. We are not suggesting this be a permanent change to the legislation pending. We are simply saying the very survival of thousands of family farms depends upon whether we give them the tools right now.

For those who oppose this amendment, I would simply ask, What immediate action do they propose? What will they do to help farmers today?

We are all for trade. I don't know of a Senator who will come to the floor and say, ''I oppose increasing trade.'' That is like saying I will oppose eating apple pie. We favor trade. We want to see our markets opened. And I might say parenthetically the fastest way to open them is to pass the funding of the International Monetary Fund so that we can open these markets and stabilize the economy.

So let me just describe again this first in a series of steps that we are proposing to deal with these prices. The amendment, again, that we will be voting on momentarily would eliminate the caps on marketing loans and set the new rate at 85 percent of the average price of the previous 5 years, and here is the key, ''on an emergency basis.'' On an emergency basis, it would extend the marketing loan term from 9 months to 15 months under the same conditions.

I hope everyone will note the distinction between this amendment and earlier legislation to break the loan caps. In contrast to other marketing loan proposals, this measure only goes into effect in the case of an economic crisis. It gives the President discretionary authority to control extreme, persistent income loss by lifting the marketing loan caps and extending their terms in this year only.

Regardless of how my colleagues may feel about changes in permanent law, regardless of how they may have voted in the past, I really cannot imagine that anybody can say that for 1 year, under these circumstances, I am opposed to bumping up that loan that has to be paid back by the farmers, regardless of whatever concerns they might have. In every single case that I am aware of in talking to farmers around the country, they tell us that the single most effective thing we can do, the single most important thing we can do to affect price in the short term is what we are offering right now.

You can listen to some of our colleagues complain that this is an old solution. The fact is that this is the best solution, the best short-term emergency solution that we are aware can be proposed. It is supported by the National Wheat Growers, by the Barley Growers, by the American and National Corn Growers, and by a growing list of farmer organizations and farmers across this country who say, yes, with an exclamation point, pass this.

Combining the two provisions—the extension of the time and the moderate increase in the availability of the loan value—provides our farmers with increased market flexibility and a far better shot at surviving over the next

12 months. Adopting this proposal would result in loan rate increases, and we think price increases, for every single grain commodity. Wheat loan rates would increase 64 cents a bushel; corn loan rates would increase 36 cents a bushel; soybean rates would increase.

The flexibility contained in the new farm bill is great. Farmers get their signals from the market but not the Government. But they cannot be left without the marketing tools necessary to capitalize on the new free market. This is an opportunity to send a clear message to farmers in every State, every State where we can add ''rural'' in front. We understand the ag slump threatens rural States, rural South Dakota, rural North Dakota, rural Maine, rural California, rural Louisiana, and we are going to do something about it. We are going to offer this as our best opportunity to deal immediately with price, knowing how consequential this could be for every single farmer who is watching and listening and hoping that we understand. We can use all the rhetoric we want. The only way we are going to get this job done is to match our actions to our rhetoric. The rhetoric came yesterday. The actions now must come today, and they must start by increasing this loan rate.

I yield the floor.

Mr. COCHRAN. Mr. President, I think we have had a full and complete debate on the Senator's amendment. We have heard from Senators on both sides of the aisle. I am prepared to yield back any time that remains to this side on the amendment of the Senator from South Dakota, but before doing that I am happy to announce to the Senate that we have reached an agreement on both sides with respect to the amendments that will be in order to this bill and, following the disposition of the Daschle amendment, we will proceed to consider other amendments.

With the authority of the majority leader and with the permission and consent of the minority leader, I ask unanimous consent that during the consideration of the agriculture appropriations bill, the following be the only first-degree amendments in order, subject to relevant second-degree amendments, and following the disposition of the amendments, the bill be advanced to third reading and the Senate proceed immediately to Calendar No. 430, the House companion bill.

I further ask that all after the enacting clause be stricken, the text of the Senate bill as amended be inserted, the bill be advanced to third reading and passage occur, all without intervening action or debate.

Finally, I ask that the Senate insist on its amendment, request a conference with the House on the disagreeing votes, and the Chair be authorized to appoint conferees on the part of the Senate, and the Senate bill be placed back on the calendar.

I submit the list of amendments to be offered on both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I ask unanimous consent the list be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AMENDMENTS TO AGRICULTURE APPROPRIATIONS

Craig—Bio-diesel.
Grassley—S.O.S. on farmers relief.
Grassley—S. 1269—Fast track.
Lugar—Sanctions.
McConnell—2nd degree place holder.
Hatch—Interstate distribution of meat.
DeWine—S.O.S. on asthma inhalers.
Kempthorne—Funding for secondary agriculture education programs.
Brownback—Limit length of agriculture census.
Coverdell—Ag. credit.
Coverdell—E coli.
Roberts—Nuclear nonproliferation.
Roberts—Nuclear nonproliferation.
Cochran—Managers amendment.
Cochran—Managers amendment.
Stevens—Relevant.
Santorum—Farmland preservation funding.
Brownback—Nine month waiver permanent sanctions—Pakistan/India.
Baucus—Research.
Baucus—Commodity loans.
Baucus—Research.
Baucus—Relevant.
Bryan—Market access program.
Bryan—Market access program.
Byrd—Relevant.
Byrd—Relevant.
Bumpers—Relevant.
Bumpers—Relevant.
Bumpers—Relevant.
Conrad—Emergency indemnity payments.
Conrad—Relevant.
Conrad—Relevant.
Daschle—Market loan rate (pending).
Daschle—CRP hay.
Daschle—Fund for Rural America.
Daschle—Price reporting.
Daschle—Conservation reserve.
Dodd—Waive sanctions food and medicine.
Dodd—FDA recall drugs and medical devices.
Dodd—Authorize experiment station research $.
Dorgan—Scab research.
Dorgan—Cost of production.
Dorgan—Sanctions.
Dorgan—Food for peace.
Dorgan—Fruits and veggies.
Durbin—Clinical pharmacology.
Durbin—National corn-to-ethanol.
Durbin—Meals on wheels.
Feingold—Small farms.
Feingold—Relevant.
Graham—Fires.
Graham—Country origin produce labeling.
Graham—$ Med fly.
Harkin—Relevant.
Harkin—WIC related.
Harkin—Food safety.
Harkin—Relevant.
Harkin—Relevant.
Harkin—Relevant.
Harkin—Bio containment.
Johnson—Meat labeling.
Kerrey—Mandatory price reporting pilot.
Kerrey—Economic research service study.
Leahy—Relevant.
Leahy—Relevant.
Levin—Fire blight.
Levin—Disability discrimination.
Mikulski—Relevant.
Mikulski—Relevant.
Robb—Remedy discrimination by USDA.

Mr. COCHRAN. Mr. President, I thank all Senators for their cooperation and assistance in reaching this point of the debate on the agriculture appropriations bill. I now yield back all time that remains on this side on the Daschle amendment.

I move to table the Daschle amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. INHOFE). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—56

Abraham	Feingold	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Brownback	Grassley	Roth
Burns	Gregg	Santorum
Campbell	Hagel	Sessions
Chafee	Hatch	Shelby
Coats	Helms	Smith (NH)
Cochran	Hutchinson	Smith (OR)
Collins	Hutchison	Snowe
Coverdell	Inhofe	Specter
Craig	Jeffords	Stevens
D'Amato	Kempthorne	Thomas
DeWine	Kyl	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Warner
Faircloth	Mack	

NAYS—43

Akaka	Feinstein	Lieberman
Baucus	Ford	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Bumpers	Kennedy	Robb
Byrd	Kerrey	Rockefeller
Cleland	Kerry	Sarbanes
Conrad	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dodd	Lautenberg	Wyden
Dorgan	Leahy	
Durbin	Levin	

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3146) was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3155

(Purpose: To amend the Arms Export Control Act to provide waiver authority on certain sanctions applicable to India or Pakistan)

Mr. COCHRAN. Mr. President, on behalf of the Senator from Kansas, Mr.

BROWNBACK, and other Senators, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. BROWNBACK, for himself, Mr. ROBERTS, Mr. HAGEL, Mr. GORTON and Mr. ROBB, proposes an amendment numbered 3155.

Mr. COCHRAN. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

TITLE ____—INDIA-PAKISTAN RELIEF ACT

SEC. ___01. SHORT TITLE.

This Act may be cited as the ''India-Pakistan Relief Act of 1998''.

SEC. ___02. WAIVER AUTHORITY.

(a) AUTHORITY.—The President may waive for a period not to exceed one year upon enactment of this Act with respect to India or Pakistan the application of any sanction or prohibition (or portion thereof) contained in section 101 or 102 of the Arms Export Control Act, section 620E(e) of the Foreign Assistance Act of 1961, or section 2(b)(4) of the Export Import Bank Act of 1945.

(b) EXCEPTION.—The authority provided in subsection (a) shall not apply to any restriction in section 102(b)(2) (B), (C), or (G) of the Arms Export Control Act.

(c) Amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided*, That such amounts shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. ___03. CONSULTATION.

Prior to each exercise of the authority provided in section ____02, the President shall consult with the appropriate congressional committees.

SEC. ___04. REPORTING REQUIREMENT.

Not later than 30 days prior to the expiration of a one-year period described in section ____02, the Secretary of State shall submit a report to the appropriate congressional committees on economic and national security developments in India and Pakistan.

SEC. ___05. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.

In this title, the term ''appropriate congressional committees'' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives and the Committees on Appropriations of the House of Representatives and the Senate.

Mrs. FEINSTEIN. Mr. President, I rise today in support of the India-Pakistan Relief Act, which I am cosponsoring with my colleague from Kansas.

Even as we have implemented a strict regime of sanctions on India and Pakistan as called for by law, it is my belief that we must also look to the future and to creating the sort of environment which will allow the United States to engage India and Pakistan in a positive relationship and to restore stability to South Asia.

To that end, this Amendment does something very simple, and something much needed. It is also something which I believe the great majority of this body supports.

The Amendment provides the President with the discretion to waive the application of any sanction or prohibition, for a period of 1 year. It contains an exception for those sanctions dealing with dual-use exports or military sales, which will remain off-limits.

Before the waiver authority is exercised, the President is required to consult with Congress.

And, prior to the expiration of the waiver authority granted in this Amendment, the Secretary of State must report to Congress on developments in India and Pakistan.

This last point is crucial. The waiver authority granted in this Amendment is limited to 1 year. Should India and Pakistan prove to be unwilling to resolve their differences—should the Secretary be unable to report on substantial and significant progress—this Amendment will sunset, and the current sanctions will go back into effect.

It is my belief that the President be given flexibility to use and shape sanctions as most appropriate to attempt to create a positive and constructive environment for the resolution of political and security problems in South Asia. Our current sanctions policy does not provide for that flexibility.

In fact, without this flexibility it is difficult to conceive how the United States can play a positive and constructive role in attempting to head off a potential nuclear arms race in South Asia or to restore stability to the region.

Indeed, the Administration currently has a high-level delegation, headed by Deputy Secretary Talbott, en route to the region to continue talks with India and Pakistan and to continue discussions on bringing the current crisis to a close.

Hopefully, this Amendment will send a positive signal to India and Pakistan that the United States is interested in working with them to resolve their problems, and will provide our negotiators with the leverage that they need if they are to have success in moving the process in a positive direction.

This Amendment structures U.S. policy to secure commitments from India and Pakistan to make real and meaningful progress in rolling back the current crisis, to settle their differences, and to bring peace to South Asia.

Although we do not spell out explicit conditions that India and Pakistan must meet in this Amendment, it is my hope and belief that the flexibility that this Amendment introduces will allow the Administration to work with India and Pakistan to take necessary actions to resolve their political and security differences, including ceasing any further nuclear tests; engaging in a high-level dialogue, putting confidence and security building measures in place; and, take steps to roll-back their nuclear programs and come into compliance with internationally accepted norms on the proliferation of weapons of mass destruction.

Indeed, my support of this Amendment lies, in part, in my belief that this is that path that India and Pakistan themselves have indicated that they would like to pursue.

Both India and Pakistan have made statements indicating that they will refrain from future testing. Both have indicated that they are prepared to consider joining the Comprehensive Test Ban Treaty. And, in a message to the Security Council on July 9, Secretary General Annan wrote that ''I have been encouraged by indications from both sides of their readiness to enter into dialogue addressing peace and security matters and causes of tension, including Kashmir.''

In South Asia today it appears to be too late to talk about preventing the capability of developing nuclear weapons. As I stated on this floor immediately following the first Indian nuclear test, the international community cannot successfully impose nonproliferation policies on South Asia. Ultimately, India and Pakistan must determine for themselves that their own interests are best served by ridding South Asia of weapons of mass destruction—and not by turning the region into a potential nuclear battleground.

The United States, however, must seek ways to work with India and Pakistan to help them reach that determination. It is my belief that this Amendment serves to structure our policies to make that outcome more likely. I urge my colleagues to join me in support of this Amendment.

Mr. HELMS. Mr. President, as has been made clear, this amendment is a version of a bill offered last week by Senators MCCONNELL, BIDEN, and others. At that time, Senators felt pressure to lift sanctions on India and Pakistan, thereby precluding U.S. companies from participating in a significant wheat tender.

I understood the urgency, and I therefore supported my colleagues. On the question of sanctions in general, and sanctions on India and Pakistan in particular, however, several points need to be emphasized.

The sanctions tasks force appointed by the majority and minority leaders, as of last week's sanctions relief bill, had met twice at a staff level. No one saw the proposed bill language, which, as originally written, would have lifted not only economic, but also military and dual use sanctions on India and Pakistan for a period of nine months.

Mr. President, I believe the majority leader was serious in his desire to constitute a group of Senators who, after due deliberation, would make recommendations on sanctions. That did not happen. Instead, we have rushed

forward, willy nilly, with bills and amendments that the Senate Foreign Relations Committee has not considered. Indeed, last week we were presented with language that even the members of the sanctions task force had not considered.

It is my firm belief that at any given time we have one Commander in Chief and one Secretary of State. I support the President's right to make decisions on foreign policy, even when I disagree with those decisions. I also agree that it is important that the President have some flexibility in making those decisions.

That is why I am willing to support a limited waiver on economic sanctions—economic sanctions only—for nine months for India and Pakistan—which I do with some reservations. I shall expand on this further at another time. Suffice it to say that I do not believe foreign aid, foreign loan guarantees or international bail outs are an ''entitlement'' to any nation.

Equally importantly, Mr. President, no nation deserves military hardware, services or dual use items capable of supporting military programs if and when that nation engages in conduct dangerous to the national security of the United States. I shall never support U.S. supercomputers going to help the Indian nuclear program or U.S. space technology supporting a South Asian missile program. The line must be drawn somewhere.

The bill presented to me last Thursday at 9:30 a.m., one hour prior to its consideration by the full Senate, would have allowed anything—munitions list items, aircraft, weapons, advanced weapons technology—to go to India or Pakistan. I refuse to believe that even those most ardent to appease big business could countenance a U.S. military relationship with a nation that just detonated a nuclear weapon.

Mr. President, sanctions have their downsides, and I am ready to address those downsides. What I am not willing to do is to permit Congress to rush headlong into approving legislation which would open the floodgates to the rogues of this world.

Mr. COCHRAN. Mr. President, the amendment deals with the sanctions against India and Pakistan. The amendment has been cleared on this side of the aisle. I understand that it has also been cleared on the other side. But I yield to my friend from Arkansas for any comments.

Mr. BUMPERS. Mr. President, this amendment has been cleared on this side of the aisle.

The PRESIDING OFFICER. Is there further debate?

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. I am sorry, I am not aware of the amendment the Senator from Mississippi is talking about.

The PRESIDING OFFICER. Is there further debate?

Mr. BUMPERS. Mr. President, I am told there are a couple questions on our side of the aisle. I regret that I announced earlier there was no objection on this side. Apparently, there are at least a couple questions. So if we could leave that amendment, set it aside in order to let Senator LUGAR go, then we will try to clear it between now and the end of that time.

The PRESIDING OFFICER. Is there objection?

Mr. COCHRAN. Mr. President, reserving the right to object, and I do not want to object and will not, maybe the thing to do is put in a quorum for a second or two and see exactly what the questions are. Maybe they can be answered. If not, then I agree with you, we will set it aside and go to another amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I think we are ready now to proceed to a vote on the Brownback amendment

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the vote.

The amendment (No. 3155) was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

Mr. BUMPERS. I move to lay it on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Indiana.

AMENDMENT NO. 3156

(Purpose: To provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions in order to ensure coordination of United States policy with respect to trade, security, and human rights.)

Mr. LUGAR. I send an amendment to the desk and ask for its immediate consideration.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 3156.

Mr. LUGAR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. LUGAR. Mr. President, I rise to propose an amendment that seeks to improve the way Congress and the executive branch consider and impose unilateral economic sanctions on other countries and entities. There has been a dramatic rise in the number and variety of U.S. economic sanctions directed against other countries to achieve one or more foreign policy goals. More often than not they have not been successful. Despite this record, we continue to impose one new unilateral sanction after another. We typically do so without careful analysis of their effects on our interests and our values.

Because of this, I believe it is time we engage in a serious debate on the merits of using unilateral economic sanctions to accomplish foreign policy goals. That is the purpose of this amendment. My amendment is a modification of Senate bill S. 1413, the ''Enhancement of Trade, Security, and Human Rights Through Sanctions Reform Act'', or simply the Sanctions Policy Reform Act, which we introduced last November. The companion bill was introduced in the House at the same time. There are now 36 Senate cosponsors from both sides of the aisle.

Let me take a moment to note some of the important changes from Senate bill 1413 that are now in my proposed amendment. These changes were included to reflect discussions with the administration, with legal counsel of the Senate, with our colleagues in the House, and with others. First, we clarify in the amendment that our general sanctions guidelines, procedural requirements, analytical reports and sunset provisions pertain only to future sanctions. I underline that point. This amendment deals only with the future. It is not an amendment about sanctions past or sanctions present. We are talking about sanctions in the future and only unilateral sanctions imposed by the United States alone.

Our bill is totally prospective. We have eased some of the public notification requirements about the proposed new sanctions. We do not want the President to inadvertently alert a country targeted for sanctions to take steps to avoid our sanctions before they are imposed. If a country knows in advance that we intend to impose an asset freeze, for example, it would initiate moves to conceal, shift, or otherwise avoid our sanctions, thereby undermining their effectiveness.

We have strengthened the language in the bill against the use of food, medicine, and medical equipment as a tool of American foreign policy. As a guideline, we believe food should never be used this way except in cases of war or a threat to the security of the United States. We have also included language in the bill that permits a slowing down of the process in the Congress to help guarantee that information about proposed new sanctions is available to the Members prior to their voting on the floor.

There are other minor changes in reporting requirements and procedures.

The fundamental purpose of my amendment is to promote good governance through thoughtful deliberation on those proposals involving unilateral economic sanctions directed against other countries. My amendment lays out a set of guidelines and requirements for a careful and deliberative process in both branches of Government when considering new unilateral

sanctions. It does not preclude the use of economic sanctions, nor does it change those sanctions already in force. It is based on the basic principle that if we improve the quality of our policy process and our public discourse, we can improve the quality of the policy itself.

This principle is familiar to us all. James Madison wrote eloquently in the Federalist Papers on the merits of slowing down the legislative process on important matters in order to achieve more careful, thoughtful deliberation and avoid the passions of the moment. This amendment is consistent with Madison's view. When we introduced Senate bill 1413 last fall, we did so because we believed that unilateral economic sanctions, when used as a tool of foreign policy, rarely achieved their goal, and frequently harmed the United States more than the target country against whom they were aimed.

The imposition of unilateral sanctions may help create a sense of urgency to help resolve a problem, but it often creates new problems, many of which may be unintended. In some cases, unilateral sanctions may be counterproductive to our interests.

Over the past several years, there has been a growing interest in the practice of unilateral economic sanctions as a tool of American foreign policy. Numerous studies have been conducted by think tanks, trade groups, the business communities, the U.S. Government, and foreign governments. These studies reached similar conclusions that unilateral economic sanctions that are utilized to achieve foreign policy objectives rarely succeed in doing so.

They further conclude that unilateral economic sanctions seldom help those we seek to assist, that they often penalize the United States more than the target country, and that they may weaken our international competitiveness and our economic security. The studies also show that unilateral economic sanctions have increasingly become a foreign policy of first choice, even when other policy alternatives exist.

Because of these studies, data on the use of sanctions are becoming familiar. According to Under Secretary of State, Eisenstat in testimony before the House International Relations Committee, the United States has applied sanctions 115 times since World War I and 104 times since the end of World War II. Nearly one third of the sanctions applied over the last 80 years have been imposed in just the past 4 years.

There are now dozens of new proposals before the Congress that would tighten or impose sanctions on one or more countries, many of whom are our friends or our allies. There are other sanctions pending at the State and local level directed at nearly 20 countries.

The 1997 Report of the President's Export Council on U.S. Unilateral Economic Sanctions, for example, cited 75 countries representing more than half the world's population, that have been subject to or threatened by U.S. unilateral sanctions. The application of new sanctions in the past 2 years have increased this global percentage to nearly 70 percent of the world's population affected or threatened by one or more U.S. sanctions.

These sanctions are not cost-free. They are easy to impose because they appear to be cost-free and are almost always preferable to the use of force or to doing nothing, but they have many unintended victims—the poor in the target countries, American companies, American labor, American consumers, and, quite frankly, American foreign policy. One cost estimate put the income loss to the American economy from economic sanctions at between $15 billion and $19 billion, while impacting more than 150,000 jobs in 1995 alone. Magnify this overtime, and the economic and foreign policy costs to the United States become enormous. These sanctions weaken our international competitiveness, lower our global market share, abandon our established markets to others and jeopardize billions in export earnings—the key to our economic growth. They may also impair our ability to provide humanitarian assistance. They sometimes anger our friends and call our international leadership into question.

Someone compared the use of unilateral economic sanctions in foreign policy to the use of carpet bombing in warfare. He noted that both tactics are indiscriminate and fail to distinguish between innocent and guilty victims. Those who are well-off financially, entrenched politically, or responsible for foreign policy actions we oppose, are those who tend to be least affected by unilateral sanctions. The point is that unilateral sanctions are blunt instruments of foreign policy that are too readily employed against foreign targets, even when other persuasive instruments of foreign policy may be available.

The statute regulating our actions against India's and Pakistan's behavior, for example, is unusually inflexible and limits our options to develop solutions that work in South Asia. Our punitive sanctions, however meritorious they may be, do not help us achieve cooperation with either country in coping with regional and global problems; nor do they promote essential American goals of democracy, human rights, religious freedom, or other values we would like to see in both countries. Indeed, these particular sanctions could inadvertently serve to destabilize an already unsteady situation in Pakistan—a nuclear Pakistan—which would not be in anybody's interest.

Mr. President, my amendment does not prohibit sanctions. There will always be situations in which the actions of other countries are so outrageous or so threatening to the United States that some response by the United States, short of the use of military force, is needed and justified. In these instances, sanctions can be helpful in getting the attention of another country, in showing U.S. determination to change behaviors we find objectionable, or in stimulating a search for creative solutions to difficult foreign policy problems.

Indeed, many unilateral sanctions are intended to achieve very laudable foreign policy goals—human rights improvements, the non-proliferation of weapons of mass destruction, stemming the flow of international narcotics, countering terrorism, prohibiting child labor, and others. These goals are worthy foreign policy objectives. Unfortunately, unilateral economic sanctions are not effective tools for advancing these objectives or our interests. They may, in some cases, undermine them. In the end, they typically inflict punishment on the American people or on the most vulnerable populations in the country against whom the sanctions are directed.

Mr. President, if we use unilateral economic sanctions to advance our foreign policy, we must be more sparing in their use, we must improve the process by which we consider international sanctions, and find ways to increase their effectiveness once they are implemented.

My amendment proposes to do that by improving the way we consider unilateral sanctions in both branches of the government. It is a modest amendment. It applies to a very limited class of sanctions which are unilateral in scope and which are intended to accomplish one or more foreign policy objectives.

My amendment excludes those trade remedies and other trade sanctions imposed because of market access restrictions, unfair trade practices and violations of U.S. commercial or trade laws. It excludes those multilateral sanctions regimes in which the U.S. participates, when other participating countries are imposing substantially equivalent sanctions and taking their burden. Our legislation is prospective and would not change, amend or eliminate existing U.S. sanctions, although I believe they should be reviewed as well. The Sanctions Task Force set up by the Senate leadership is undertaking that review. Finally, the amendment does not pertain to state and local sanctions intended to achieve foreign policy goals. It deals simply with those of the Federal Government.

To help achieve a more deliberative policy process, the bill establishes procedural guidelines and informational requirements before unilateral economic sanctions are considered by the Congress or the President. My amendment provides that any unilateral economic sanction proposed in the Congress or by the President should conform to certain guidelines. These should include:

clearly defined foreign policy or national security goals;

contract sanctity;

Presidential authority to adjust or waive the sanctions if he determines it is in the national interest to do so;

narrowly targeted sanction on the offending party or parties;

expand export promotion if our sanctions adversely affect a major export market of American farmers;

efforts to minimize the negative impact on humanitarian activities in targeted countries; and

a sunset provision to terminate new sanctions 2 years after they are imposed, unless reauthorized.

The amendment includes provisions to fully inform members of the proposed sanctions and requires new sanctions be consistent with these guidelines. It also mandates that all proposed new unilateral sanctions include reports from the President which assess the following:

the likelihood that the proposed sanctions will achieve the stated foreign policy objective;

the impact of the sanctions on humanitarian activities in affected countries;

the likely effects on our friends and allies and on related national security and foreign policy interests;

any diplomatic steps already undertaken to achieve the specified foreign policy goals;

the prospects for multilateral cooperation and comparable efforts, if any, by other countries to impose sanctions; against target country;

prospects for retaliation against the U.S. and against our agriculture interests;

an assessment as to whether the benefits of achieving the stated foreign policy goals outweigh any likely foreign policy, national security or economic costs to the U.S.; and

a report on the effects the sanctions are likely to have on the U.S. agricultural exports and on the reputation of U.S. farmers as reliable suppliers.

I include that section, Mr. President, because agricultural exports are usually the first hit in retaliation. This is the area in which our Nation does best and has, by far, the largest surplus. Therefore, this is of special importance to the American agricultural producers that are the focus of our attention today in this appropriations bill.

A separate section includes similar analytical requirements for any new sanctions the President considers. These include those sanctions imposed by executive order under the International Emergency Economic Powers Act (IEEPA). these requirements must be shared with the Congress before imposing new sanctions. However, the bill allows the President to waive most of these requirements if he must act swiftly and if the challenge we confront is an emergency. The requirements on the President are as rigorous as those on the congress.

FInally, my amendment establishes an inter-agency Sanctions Review Committee to include all relevant agencies in the executive branch in order to coordinate U.S. policy on sanctions.

If unilateral sanctions are approved and implemented, the amendment requires annual reporting on their economic costs and benefits to the United State and any progress they are having on achieving the stated foreign policy goals.

There would also be a sunset provision in each new sanction that would terminate new sanctions after two years unless they are re-authorized by the Congress or the President.

The agriculture provision merits special comment because it singles out American farmers and ranchers whose exports are especially vulnerable to retaliation and whose products are most easily substituted by foreign competitors. American agriculture is heavily dependent on exports. About a third of all of our sales from the farms of this country are in the export trade. Last year, American agriculture contributed a net $22 billion surplus to our balance of trade, more than any other sector. Economic sanctions can have a serious long-term adverse impact on American agriculture. My amendment provides authority to compensate for lost exports through agriculture export assistance permitted under current statutes and agreements. No new appropriations would be required.

To protect American agriculture, my amendment defines humanitarian assistance to include all food aid provided by the Department of Agriculture for the purchase or provision of food or other agricultural commodities. As such they would be exempt from sanctions other than in response to national security threats, where multilateral sanctions are in place, or if we are engaged in an armed conflict.

I have focused many of my remarks on the economic and trade consequences of unilateral sanctions because they are more easily measured. But, the use of sanctions also raises a fundamental question about the effects of unilateral sanctions on the conduct of American foreign policy. Can we further our national interests and promote our values as a nation through the use of unilateral sanctions which distance ourselves from the challenges we face, or can we better accomplish our purposes by staying engaged in the world and keeping our options open to solutions? The answer is not always black and white because sanctions can sometimes be an appropriate foreign policy tool.

On balance, I believe American interests are better advanced through engagement and active leadership that afford us an opportunity to influence events that threaten our interests.

In some cases, unilateral sanctions restrict our ability to take advantage of changes in other countries because trade embargoes impose a heavy bias against dialogue and exchange. Unilateral sanctions may create tensions with friends and allies—including democratic countries—that jeopardize cooperation in achieving other foreign policy and priorities, including multilateral cooperation on the sanctions themselves.

U.S. leadership and American values are better promoted through our presence abroad, the knowledge we share and impart, and the contacts we make and sustain. Many countries want to be exposed to our values and ideas if they are not imposed. The lessons of the free market and democratic values are learned more easily when they are experienced first hand, not as abstractions from a distance and not behind artificial barriers imposed by unilateral sanctions.

Let me suggest a number of fundamental principles that I believe should shape our approach to unilateral economic sanctions: Unilateral economic sanctions should not be the policy of first resort. To the extent possible, other means of persuasion and influence ought to be exhausted first;

If harm is to be done or is intended, we must follow the cardinal principle that we plan to harm our adversary more than we harm ourselves; when possible, multilateral economic sanctions and international cooperation are preferable to unilateral sanctions and are more likely to succeed, even though they may be more difficult to obtain; we should secure the cooperation of the major trading and investing countries as well as the principal frontline states if economic sanctions are to be successful; and we ought to avoid double standards and be as consistent as possible in the application of our sanctions policy.

To the extent possible, we ought to avoid disproportionate harm to the civilian population. We should avoid the use of food as a weapon of foreign policy and we should permit humanitarian assistance programs to function; our foreign policy goals ought to be clear, specific and achievable within a reasonable period of time; we ought to keep to a minimum the adverse affects of our sanctions on our friends and allies; we should keep in mind that unilateral sanctions can cause adverse consequences that may be more problematic than the actions that prompted the sanctions—a regime collapse, a humanitarian disaster, a mass exodus of people, or more repression and isolation in the target country, for example; we should explore options for solving problems through dialogue, public diplomacy, and positive inducements or rewards; and the President of the United States should always have options that include both sticks and carrots that can be adjusted according to circumstance and nuance; the Congress should be vigilant by insuring that his options are consistent with Congressional intent and the law.

In those cases where we cannot build multilateral cooperation and where our core interests or core values are at risk, we must, of course, consider acting unilaterally. Our actions must be part of an overall coherent and coordinated foreign policy that is coupled

with diplomacy and consistent with our international obligations and objectives. We should have a reasonable expectation that our unilateral actions will not cause more collateral damage to ourselves or to our friends than the problem they are designed to correct.

Mr. President, the United States should never abandon its leadership role in the world nor forsake the basic values we cherish in the pursuit of our foreign policy. We must ask, however, whether we are always able to change the actions of other countries whose behavior we find disagreeable or threatening. If we are able to influence those actions, we need to ponder how best to proceed. In my judgment, unilateral economic sanctions will not always be the best answer. But, if they are the answer, they should be structured so that they do as little harm as possible to ourselves and to our overall global interests. By improving upon our procedures and the quality and timeliness of our information when considering new sanctions, I believe we can make that possible. We should know about the cost and benefits of proposed new sanctions before we consider them. That is the intent of my amendment.

I ask that all Members look closely at my amendment and hope you will agree that it is good governance amendment that will help improve the quality and conduct of American foreign policy.

Mr. President, I will conclude by pointing out that a bipartisan sanctions task force has been appointed by the leadership of this body. That task force has met. I look forward to making a contribution to the work of that group.

Mr. President, as I mentioned earlier in the debate today, I visited with the presidents of the 50 farm bureaus in our country. I visited with them because they are concerned about the farm prices that we have been talking about, and I am concerned as well. Very clearly, the farm organizations of our country have a strong and clear agenda, to which I subscribe. They believe that we must pass fast track authority for the President, that we need reform of the IMF and replenish those funds, and that we must have sanctions reform.

The American Farm Bureau has been a strong contributing member to the U.S.A. Engage movement, which now includes 675 American companies who are involved in exporting. The American Farm Bureau and these American companies are companies who say, first of all, that sanctions have to remain a part of our foreign policy apparatus; that unilateral sanctions, those imposed by ourselves, usually fail and usually cause more harm upon us than upon the target countries; that on occasion we may be so outraged that we may be prepared to accept that cost, understanding that the harm to our jobs and our income will be greater than that which we have fostered. But, Mr. President, the farmers of America and their organizations are crying out in this legislation for attention.

I argued on the last amendment that our best policy in this country was to sell grain, to sell livestock—not to store it. I think that is the issue, Mr. President. But if we are to be credible with regard to the export side, farmers and farm groups are saying, ''You must reform. You must do more.'' And I agree with that.

That is why I offered this amendment on the appropriations bill for agriculture, because it is a passionate cry by our farmers to take this concrete action to give some hope that their concerns are being addressed, that, in fact, we are going to move exports, and are going to do so because we are beginning to think more carefully here in this body about what we are doing.

To reiterate the bidding, Mr. President, before unilateral sanctions alone are imposed, there has to be a purpose stated for why we are doing them. And criteria and benchmarks that would show the degree to which we have been successful in interim reports, and an assessment of the cost to American jobs and the lost income. I mentioned $20 billion of lost income in a year and 150,000 jobs. These are not inconsequential. Debates occur on this floor frequently over 100 jobs or 1,000 jobs. I am asking that to consider very carefully these cost implications before we adopt another unilateral sanction. And finally, I am saying that after 2 years there should be a sunset provision. The sanction ends at that point, unless it is authorized again by the Congress or by the President for valid foreign policy reasons. These sanctions go on forever. This amendment is prospective. It deals with the future. I hope the sanctions task force set up by the leadership will deal with the present and past sanctions.

Mr. President, I ask for careful consideration by this body of my amendment. I am hopeful it will be a strong plank in this appropriations bill.

I thank the Chair.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Madam President, I rise in respectful opposition to some of the implications of the amendment offered by my good friend, the distinguished Senator from Indiana, Mr. LUGAR. Now, we all know that sanctions have come under assault of late. It is the politically correct thing to do amidst Senator LUGAR's and my friends in the business community. And I think neither Senator LUGAR nor I has failed to stand up for the free enterprise system and the business community when the community deserved to be supported, which is most of the time.

Nevertheless, there are some powerful corporate interests in this town which have launched a well-financed lobbying campaign against sanctions, all sanctions, in an obvious attempt to convince Congress that all sorts of unreasonable sanction laws have been presented and that these sanctions are something new and unusual and somehow detrimental to the best interests of this country.

On that point I beg to differ. The fact is, as an effective and principled foreign policy tool economic sanctions are older than this Republic itself. What did the American colonies do in response to Britain's imposition of the Stamp Act? The American colonies imposed economic sanctions forcing its repeal as a matter of fact. What did the Continental Congress do when Britain imposed the Intolerable Acts? The Continental Congress imposed economic sanctions on Britain.

Why has Congress always authorized sanctions when needed? This is a question that is worth reviewing, and that is what I propose to do briefly, if it may be possible. Amazingly, some in the business community, and they have always been and will continue to be close friends of mine, have jumped to the conclusion on the recent events in India and Pakistan to pursue their attacks on the U.S. bilateral sanctions. But it is precisely those events in India and Pakistan, the decision by these governments to detonate a dozen separate nuclear weapons, that should heighten our resolve to enforce tough sanctions against governments that seek to destabilize the world.

The fact is, in that instance, Madam President, I believe, and I believe I can demonstrate, that India detonated its devices because of India's fear that the United States was coddling China and bidding friendship for China that ought not to be a part of the foreign policy of this country.

Now, just weeks ago the Senate passed the Iran Missile Proliferation Sanctions Act by an overwhelming vote of 90 to 4. Why did we do that? In order to place a cost on the specific companies for transferring dangerous missile technology to a terrorist regime in Iran which will use that technology to destabilize the entire Persian Gulf region.

Now, we authorize the President to sanction states and foreign companies that threaten the safety of the American people by spreading nuclear, chemical, and biological weapons of mass destruction. We authorize sanctions on states, and when I say the word ''states,'' I mean governments, foreign governments, which provide training, weapons and political or financial and diplomatic support to terrorists who kidnap and murder American citizens. We authorize sanctions on governments involved in the smuggling and transshipment of illegal drugs that poison our children. We authorize sanctions on governments that commit acts of genocide and armed aggression against their neighbors and crimes against humanity.

The question must be faced: Are we unreasonable in doing this? Should we

be ashamed? I do not think so. Obviously, sanctions are not always the answer. I do not contend that they are, but we cannot escape the fact that sometimes they are the only answer.

I think we better face the facts. There are only three basic tools in foreign policy. There is diplomacy, sanctions, and war. Without sanctions, where would we be? Our options with the dictators and proliferators and terrorists of this world would be three: empty talk, sending in the Marines, or withdrawing into isolation. And I for one am not willing to place such artificial limits on our foreign policy options.

But this is exactly, I fear, what the pending amendment proposes to do. Perhaps the Senator from Indiana can persuade me and the remainder, the rest of the Senate that that is not intended and at least make some statements for the RECORD that can be viewed in the future.

In practice, this amendment is not about sanctions reform as it states. It is an obvious attempt by opponents of sanctions and the business community to hamstring Congress' ability to authorize sanctions. The proposed amendment would tie Congress' hands with mandatory waiting periods for the implementation of all sanctions, require mandatory sunsets on all future sanctions laws and define a wide range of congressional actions known or referred to as ''sanctions'' when they are nothing of the sort.

This amendment, I fear, would impose a mandatory 2-year time limit on all U.S. sanctions law. I'm afraid that would be opening a Pandora's box. Imagine if this was the law of the land when the United States enacted the Arms Export Control Act which prohibits the sale of sophisticated weapons to nations that the State Department determines annually support terrorism—governments like Syria, Iran, Iraq, Libya and North Korea. Would we have wanted those sanctions to be eliminated under an arbitrary 2-year timetable? I think not.

Further, what exactly is meant by the term ''sanctions''? The pending amendment, it seems to me, breaks new ground on what henceforth would be considered a ''sanction.'' Under this amendment, it seems to me, the denial of U.S. foreign aid would be deemed a sanction. Any conditionality on U.S. funding to the World Bank or the IMF would be a ''sanction'' on a foreign government. And let me remind Senators that since it was created in 1945, American taxpayers have anted up billions of dollars for the World Bank and now the antisanctions crowd tells us that we can't place any conditions on the expenditures of those funds.

According to a recent report by the USIA, the conditions placed by Congress on U.S. foreign aid to the Palestinian Liberation Organization are a ''sanction.'' Really? Conditioning U.S. foreign aid to the PLO—an organization whose modus operandi for most of its existence has been killing innocent civilians—is now deemed a sanction?

What this amendment, I fear, proposes to do is to enshrine U.S. foreign aid giveaways as an entitlement, an entitlement to foreign countries.

Wait one moment before jumping to conclusions. While this amendment expands the definition of sanctions to absurd proportions, it doesn't cover all sanctions. Oh, no. You see, our friends in the business community—and they are my friends, and they are Senator LUGAR's friends—and their lobbyists who helped write this amendment have quietly carved out an exemption for bilateral sanctions they like—sanctions that directly benefit them. The same folks who are busy telling us that sanctions don't work and should be scrapped, have ensured that certain retaliatory trade sanctions are exempt from the restrictions of this legislation.

The way some in the business community have influenced the crafting of this amendment, Congress would be hamstrung in implementing sanctions against any nation that poses a threat to the safety of the American people, even if a government proliferates dangerous weapons of mass destruction, commits genocide, or supports terrorists responsible for murdering American citizens. But, if they flood the American market with cheap television sets—whoa, that is a different proposition. We can throw the book at them.

Under this amendment, the President would be prohibited from implementing sanctions against any country for at least 45 days, supposedly under the guise of a ''cooling off'' period. On the surface, that sounds pretty reasonable. But in practice, a 2-month lapse is not only foolish, it can be downright dangerous.

One example—after the Libyan terrorists blew up Pan Am flight 103, murdering 263 innocent citizens in cold blood, the United Nations spent months and months debating appropriate actions against Libya. Meanwhile, Libya divested itself of most reachable assets in order to avoid the impact of sanctions. So the pending amendment would essentially afford other terrorist states the same courtesy. While the United States ''cools off'' for 45 days, the terrorists, the proliferators, the genocidal dictators, would have 2 months to quietly divest their finances and conceal the evidence and provide safe haven for fugitives. That strikes me as being something short of reform.

The pending amendment would not place these requirements on multilateral sanctions. Of course, multilateral sanctions are more effective than bilateral sanctions. But, should the United States be handcuffed to the will, or more likely the lack of will, of the so-called international community? Should we tie our hands to the whims of our European ''allies''—and I put quotation marks around allies because their slumping welfare state economies are driving them to employ increasingly mercantilist foreign policies.

Right now the United States is waging a lonely battle at the United Nations to stop our allies from caving in and lifting U.N. sanctions on Iraq. If it were up to the French and the Russians, international business would be rushing headlong into Baghdad to renew commercial ties with Saddam Hussein, notwithstanding his continued defiance of U.N. weapons inspectors. Yet, we should give these people a veto over our national security policy that was won through the sacrifice and courage and blood of American men and women just 7 years ago?

I believe we need sanctions reform. One reform we might consider is requiring that the sanctions which Congress passes would be actually implemented. Not long ago, Congress passed the Iran-Libya Sanctions Act—a targeted law much of whose language, I might add, was drafted by the Clinton administration itself. Live on CNN, the President signed it into law with great pomp and circumstance. But then, when the time came to implement that law, the President lost his nerve and the U.S. foreign policy suffered yet another devastating loss of credibility.

The distinguished majority leader, Mr. LOTT, and the Senate minority leader, Mr. DASCHLE, have established a bipartisan ''sanctions reform task force'' to determine if, as critics have complained, Congress has gone ''sanctions mad.'' This, in my view, is a wise plan, and I serve on that task force; the Senator from Indiana serves on it, as does Senator GLENN and other interested Senators from both parties. The first question we are seeking to answer is, What is a sanction? In fact, we are having a hearing planned for July 31 to study this and other questions.

In conclusion, Madam President, instead of rushing forward with any sort of ill-considered amendment—and I say that as respectfully as possible—the ramifications of which are unknown to most Senators, we should let that task force do its work and consider ways Congress can strengthen its consideration of proposed sanctions laws.

Those who are prone to criticize the ''impulsive'' actions of the U.S. Senate, actions which I happen to believe are motivated by a devotion to the security of this country and its people, should themselves be wary of impulsive ''one-size-fits-all'' solutions such as this amendment.

I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator withhold his request?

Mr. HELMS. I certainly will.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. JOHNSON. Madam President, I will be very brief. I commend my colleague from Indiana for his sponsorship of this amendment to the agriculture appropriations bill. In my view, it is long overdue that this Senate develops

a more thoughtful, more deliberative, a more analytical approach to our sanctions strategy on the part of the United States.

An observer noted during this discussion last week that Congress is in general opposed to sanctions, but in specific supports each one of them that comes along—all too often, sanctions that are contradictory, that are counterproductive, that do not, in fact, carry out the goals of the sanctions themselves. So I think the framework that Senator LUGAR of Indiana has developed, which would cause us to approach this in a much more analytical perspective—to see to it that we have a cost-effectiveness that results from our sanctions, or even if it doesn't, that we deal with the sanction from that perspective—I think makes all the sense in the world.

It is true that sanctions most often are effective when they are multinational in nature. There is nothing, as I understand Senator LUGAR's amendment, that says we can only engage in multinational sanctions. We can engage in unilateral sanctions if we so choose. We can engage in sanctions that may not be cost-effective, if we so choose. But we ought to be fully cognizant of the nature of the sanctions and their consequences if, in fact, we are going to go down those roads. It is not tying our hands, it is not tying the hands of American foreign policy or trade policy or economic policy, to know with certainty what it is we are doing and to approach it in the kind of thoughtful manner that Senator LUGAR suggests.

There is nothing in this amendment, as I see it, that constitutes the development of an entitlement for foreign aid or anything of that nature. I think that is a gross misreading, not only of the intent, but the actual effect of this amendment. There is nothing that would restrict the ability of the American Government to impose sanctions as a response to terrorism or genocide or the development of weapons of mass destruction. It does not tie our hands in that regard.

I want to say that I think we made a step in the right direction this past week with the handling of the sanctions that were about to be imposed on Pakistan in terms of agricultural sales. I think it is appropriate that this amendment be brought up in the context of this particular bill.

Again, I thank the Senator from Indiana for a great deal of work, a great deal of thought and care that has gone into this. The foreign policy of the United States and oversight that this body, the U.S. Senate, can exercise will be enhanced and not detracted from by the adoption of this amendment.

I yield back my time.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Madam President, I, too, rise and commend our colleague from Indiana for this amendment. I am proud to be a cosponsor of the amendment, along with a number of my colleagues. To use the language in another situation, this is indeed a very modest proposal. This is prospective. It affects none of the sanctions that are presently in place.

As the Senator from Indiana has rightly pointed out, sanctions are a very effective and useful tool when applied well. I think the threat of sanctions may have an even greater impact in utility. I certainly agree with him on that.

What he is merely asking us to support today is that when a proposed sanction is being suggested by the executive branch—by the way, I wish we were applying this to ourselves because too often, when the Congress of the United States offers sanctions legislation, which is oftentimes where these bills originate, we should also be asking the question of what is the cost-benefit effect of this proposal. It doesn't say don't impose the sanction. In fact, there may be situations that arise when, in fact, the outrage is so egregious that is the subject of the sanction that we would be more than willing to pay the economic price to impose it. This amendment does not preclude that result. It merely suggests that we have some ability to make an analysis of what that relationship would be and to ask for a few days to allow for objective analysis of what the sanction cost might be. I hope this will enjoy strong, unanimous, bipartisan support.

We have heard eloquent statements made on the floor of this Chamber, Madam President, over the last several weeks, as I think all of us have begun to focus on sanctions policies as a result of the tragic events in India and Pakistan with the detonation of nuclear weaponry. That was a very sad occasion, still a very worrisome occasion in terms of what it means and the implications for us in the near term and longer term.

If there has been any silver lining, if you will, in these clouds, to draw an even tighter analogy, it is that I think everyone in this Chamber has stepped back a little bit and said,

> What are these sanctions policies and how do they work? What is going on here? Are we really achieving the desired results that are the subject of our rhetoric in speeches? Are we causing policies to be changed in countries on whom we impose sanctions? Are the political elite of these nations affected by our policies? Are they in some way being impacted by these decisions? What damage do we do to ourselves in the process as a result of sanctions being imposed? Are average people in these countries, who have nothing to do with setting policies, being affected in some way? What does that do in terms of eroding support for our country and our policies where public support in foreign countries can be pivotal in unpopular decisions that may have been made by allies of ours around the world? What sort of corrosive effect do sanctions have on those decisions?

I think these are good questions that deserve answers. What the Senator from Indiana has suggested is that, at least in one aspect of these, that we know and understand what the cost-benefit relationship is.

Madam President, at a later point in this debate, I will offer another amendment dealing with food and medicine, to merely just take food, medicine, and agricultural products off the table as a tool of sanctions, for the primary reason that I don't think it has any impact on trying to modify the behavior of nations on whom we have a substantial or less-than-substantial agreement. I will wait for the appropriate time to do it when this debate is concluded.

I also have authored, along with my friend, whom I see on this floor, who has cosponsored that amendment, Senator HAGEL from Nebraska, Senator ROBERTS from Kansas, Senator WARNER from Virginia, Senator BURNS from Montana, Senator DORGAN from North Dakota, proposals that will deal with a broader issue of how sanctions ought to be dealt with. But I will save that debate for a later day. It is a broader question and one for which we have a task force taking a look at some of these issues. I certainly want to make sure we are heading in the right direction.

On the food and medicine and agricultural products, I think that makes a lot of sense, and I will offer that at the appropriate time.

I conclude by urging my colleagues to be supportive of the Lugar proposal. It is a significant step in the right direction and one that I think deserves broad-based support as we try to sort out how best to advance our foreign policy interests while not unnecessarily doing damage to our own Nation and to innocent people around the world, particularly in the unilateral application of these sanctions.

With that, Madam President, I yield the floor.

Mr. HAGEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Thank you, Madam President.

I rise to support Senator LUGAR's amendment. I am an original cosponsor of that amendment. I am an original cosponsor of the Lugar amendment because I believe the Lugar amendment applies some common sense and some relevancy to the issue of sanctions.

I know that we have a bipartisan task force on sanctions. I think most of this body supports the efforts of that task force, but I don't see any conflict in what Senator LUGAR is proposing today, and what Senator DODD and others will propose later, with the task force assignment.

It is interesting to note that since 1993 we have imposed 65 unilateral sanctions on 35 nations. We have some responsibility to give some focus and some understanding to our trade policy, which is part of our foreign policy, which is connected to our national security, which is connected to our economy and jobs and growth and productivity.

I fail to appreciate why this is not relevant, why this is not important. This is not getting in the way of the task force. The task force, as I understand it, is to help frame up this issue.

This amendment would not undo any existing sanctions. This amendment would establish a process for a more rational consideration of future use of sanctions. Sanctions surely must remain a tool of foreign policy, but sanctions are not foreign policy. Sanctions are only effective when they are multilateral. The world is dynamic. The world is changing. Trade is spherical. It moves. It will move right over the top of us unless we attempt to manage the movement.

Every great event in history has produced new opportunities, new challenges, new threats, new uncertainties, and the collapse of the Soviet empire has given the world great new opportunities and hope. Only one nation on Earth can help lead the nations of the world to that hope and opportunity, and trade surely must be a major part of that.

Why in the world would we continue to impose unworkable, unachievable, outdated, irrelevant policy rather than looking forward, getting us into the next century, with the promise that only this country can give?

Does anybody really believe, in this body, that any nation on Earth cannot get any service, any commodity, any product if they want it from some other nation? Of course not. This is a new world. Both the President and the Congress want some control of the issue of sanctions. We want some definition of what this is about. The Congress of the United States owes this Nation some leadership on this issue. The President must lead on this issue.

Senator LUGAR has described his amendment in detail. It would sunset new sanctions after 2 years. The way it is now, Madam President, we go on and on with sanctions. This amendment starts to clean up sanctions. Do we need them? Are they relevant? Does the world change? I fail to see that that is a threat to our foreign policy and to those who wish us ill.

It would require cost-benefit studies. My goodness, imagine that. What a terrible thing—a cost-benefit study. It would require an effort, first, to make sanctions multilateral. It would require an evaluation of whether a sanction is likely to achieve its policy goal. Again—again—what a questionable objective. My goodness, actually focusing on an action and figuring out, if you can, if there are consequences, if it is workable.

I know some in this body care occasionally about a headline, about a press release.

A CRS study, January 22, 1998—this year—listed 97, total, unilateral sanctions now in place. Since that report came out, we have added sanctions against India and Pakistan, for a total of at least 99 sanctions now in place. We dealt with some of that a little earlier.

A study by the National Association of Manufacturers found that from 1993 to 1996 we imposed, as I mentioned, another 61 sanctions. These 35 nations—these 35 nations—where we have imposed these sanctions make up 42 percent of the world population. Almost half of the 5.5 billion people on the Earth are included in these sanctions and 19 percent of the world's export market—$800 billion.

Who are we kidding here? Who are we hurting? We are not isolating anybody except ourselves. We are isolating our producers, our farmers, our ranchers, our manufacturers. We are isolating ourselves. And for what end? Bring a little sanity and common sense to this? I think so. I think so.

I might add, is there something really wrong about business actually stepping into this debate? Is there something really wrong about having business say, ''Gee, we're being hurt''? Is that a special interest? Is American business a special interest? Is industry a special interest, people who work in business and the industry, produce jobs, create wealth, pay taxes? Be careful of that special interest. Be careful of that special interest. That is America. That is why we are the most powerful, dominant, free nation on Earth.

A new study by the International Institute of Economics estimates that, in 1995 alone, unilateral sanctions cost Americans $20 billion in lost exports, losing 200,000 jobs. That does not include, Madam President, what is referred to as the ''downstream loss.'' The downstream loss, when you lose markets—it means the suppliers and the jobs and the adjunct jobs—no way to really calculate that.

The National Foreign Trade Council has identified 41 separate legislative studies on the books that either require or authorize the imposition of unilateral sanctions.

Well, it goes on and on. The fact is, Madam President, what Senator LUGAR is doing is important. It is really relevant to today. It is more relevant to our future. It is relevant to our place in the world. What is the U.S. interest in the world? It is relevant to our children, and it is relevant to everything we are and who we are. That is why I strongly support this, why I was an original cosponsor, and why I urge my colleagues to vote in favor of this amendment.

Madam President, thank you. I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Madam President, let me applaud the Senator from Nebraska for a statement that I think was eloquent and filled with good sense. And I certainly want to associate myself with the remarks he has just made. And even though we were on different sides of the previous amendment, let me say, as I did previously, the Senator from Indiana is a very respected Senator, someone for whom I have great respect on foreign policy issues.

I am pleased to be here to speak as a cosponsor of the amendment that he has offered. It makes good sense to me. And I say, I think, as the Senator from Nebraska said, I would only go further than this. I certainly support this. I think it is a step in the right direction, but there is even more that we can do.

The question that is required to be asked now is, When we impose sanctions around the world, for various purposes, many of them important purposes that deal with national security and other issues, should those sanctions include the shipment of food and the shipment of medicine?

Frankly, I wonder if anyone believes that Saddam Hussein has ever missed a meal because of sanctions imposed by this country. Does anybody believe that Saddam Hussein has missed a meal? I do not think so. We cut off food shipments to Iraq. And if Saddam Hussein is making all of his meals, guess who misses their meals? It is almost always the poor and the hungry who are injured when you cut off shipments of food.

Does anybody believe that Fidel Castro does not eat well nearly every meal when he chooses to have what he wants to eat? But when we cut off food shipments to Cuba, we know that it will be the poor and the hungry who will be injured by that.

Our country, for very legitimate reasons, says we are very concerned about what is happening in Iraq, Iran, Libya, Cuba, and more. For legitimate reasons we say that. I am sure the Senator from Indiana, at greater length than any others of us, could recite the foreign policy issues and the national security issues that attend to those countries and their relationship with us and others in the world.

But the question before us is not, Should we be concerned about those countries? Of course we should. The question is, When we impose sanctions, what should those sanctions contain? Is it in our interest and in the interest of the hungry and the poor around the world to include in those sanctions the withdrawal of shipments of grain and the withdrawal of shipments of medicine?

I have clearly an interest here on behalf of family farmers. I represent one of the most agricultural States in the Nation. And nearly 10 percent of the market for wheat is out of limits or off limits to our family farmers because we have decided to impose sanctions and therefore take those markets off limits to our farmers. Does that cost farmers money? You bet. It takes money right out of their pockets. They are, in effect, told by these sanctions, ''You, Mr. And Mrs. Farmer, you pay the cost of these sanctions. You pay the cost as a result of lost income.''

Where I would go further is, I would support and am a cosponsor of an amendment that will be offered by Senator DODD, and I think cosponsored by Senator HAGEL, saying, let us not include food and medicine in future sanctions. That is not appropriate as part

of sanctions. I am a cosponsor of that amendment to be offered. I would go further to say, this country ought to decide, if it is to impose sanctions in the future, or for sanctions that now exist, it ought to reimburse farmers for the cost of those sanctions. Why should this country simply say, ''Here is our desired effect, Mr. and Mrs. Farmer. You pay the cost of it''? If it is for national security, let it come out, then, of the national security accounts from which we pay for many other matters, and say to family farmers, ''We'll reimburse you for those lost markets.'' That is an amendment I am thinking of offering to this as well. We will see what results from that.

But it is required, I think, to say, as we discuss this issue, as I said earlier today, there is some horrible disconnection in this world.

Halfway around the world there are people in Sudan, we are told, old women, climbing trees to forage for leaves to eat, leaves because they are on the abyss of starvation; a million to a million and a quarter of them are on the edge of starvation because they don't have enough to eat.

Turn the globe another halfway around and you will find America's farmers, who are the economic all-stars, produce food in abundant quantity, and they are told in our system that when they take that grain which represents that food to market, that their product doesn't have value, doesn't have worth. There is something that is terribly disconnected about that.

I have been in many parts of the world. What I remember most about the desperate poverty and hunger that exists, for example, is in the desperate slum called Cite Soleil, on the outskirts of Port-au-Prince, Haiti. You see poverty as bad and conditions as desperate as anywhere else in the world. I leaned over a crib where a young child was dying of starvation in one of the worst slums you can imagine. This child had no one. The child had lost most of its hair; what hair was left was turning red as a result of severe malnutrition and starvation. This child, the doctor told me, was dying.

I thought to myself, there is such a terrible, terrible, disconnection here because we produce food in abundant quantity. How on Earth can moving food around the world to all parts of the world that need our food in a way that connects our interests to the interests of those who need it, how on Earth could that ever threaten our national security? It does not and it could not.

The Senator from Indiana offers an amendment on the issue of sanctions. It is very simple. It describes sanctions in the future. We ought to deal with sanctions that now exist, as well. It describes conditions for the imposition of those sanctions that deal with unilateral sanctions. It says the Secretary of Agriculture should use export assistance under various programs to offset any damage or likely damage to producers and so on.

I fully support that and I am pleased to be a cosponsor, but I say again we have much, much more to do. Hubert Humphrey, many years ago, used to say, ''Send them anything they can't shoot back.'' What he meant by that is it will never injure our national security interests to send American food around the world, to sell it in markets where we can sell it, and to move it to other markets under title II and III under Food for Peace, and in some cases, title I, in other markets where they cannot afford to purchase it. It is always in our best interest. Is it in the best interest of farmers? Of course, but it also happens to run parallel to the national interests of our country.

Let me finish where I began and say I am pleased to vote for this amendment, pleased to be a cosponsor, and will cosponsor an amendment that will go further, that Senator DODD will offer, and may offer one myself, that deals with present sanctions and reimbursement to farmers for those sanctions, saying that the Government ought to not force them to bear the full burden of the cost of sanctions.

But I thank the Senator from Indiana for offering this amendment. I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I do not intend to delay matters at all. Whenever the chairman is ready to go, I certainly won't be on my feet. I want to rise and congratulate Senator LUGAR and those who helped put his amendment together. I am a cosponsor, but I don't take credit for any of the innovation and thoroughness of this work.

I just want to say on a very personal note that every now and then when you see things out in our country or in the world sort of mixed up, and you see mixed signals, you wonder just what is our country doing, and somebody like DICK LUGAR comes along and makes sense out of something that appears to be just a mess.

There can be no question, whatever support there is in this body for sanctions—and clearly they must be an instrument, a tool—whatever support there is for that concept does not mean our country ought to be living under a ''quilt'' of sanctions, many of which are just bilateral between us and some country, when we already know that many of them don't work or they work to our detriment.

Here we sit today with an emerging crisis in agriculture, probably mostly from the Asian flu; that is, from the failure in the Asian markets because of their banking systems falling apart, and those people can't buy the products they were buying. Nonetheless, when we added Pakistan for something they did, which we were all worried about, and they depended upon our grain and that kind of product to feed their people, obviously American agriculture is hurting.

Now, there are some who would like to make it that the new legislation creating an open market at some time in the future, a totally free and open market, is the cause of the problem. That is not the cause. The cause is that America's trading in foodstuffs and products from our farms is not working as well as it should because we have done something that is harming it, or failed to do some things that would cause it to work better.

Let me repeat one more time, why in the world are we still holding up IMF? If we want to reform it, why don't we reform it and pass it? There is hardly anybody in agriculture or American industry that hires our people that doesn't think we ought to do that.

Now, Senator LUGAR would like to do that. That isn't what he is doing here today. He is doing the next best thing. If that isn't a prescriptive manner, postmanner, trying to get rid of some of the nonsense of the unilateral, bilateral and multilateral situations that we have where we say we can't sell countries our product. Why don't we get on with fast track? If you want to talk about what would help our farmers, that is what would help. Get America's trade markets open so they can sell their products.

Obviously, what we are doing here today is a very rational, sensible approach to a very, very, confused set of policies which are not working to America's benefits, which we can pass and then sit back and say we did something. Isn't that great; we did something. We never measured it. I gather the new guidelines will ask us to at least measure before we do it; is that correct, Senator LUGAR?

Mr. LUGAR. Yes.

Mr. DOMENICI. At least measure before we do it.

I commend you again, Senator LUGAR. You have done it a number of times before. We have been here a long time together. I regret, even though the color of your hair might indicate to the contrary, I have been here longer than you. Nonetheless, we have been here a long time together. I do compliment you because every now and then when things are confused, you make up for that and come up with something like this.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. ROBERTS. Madam President, I would like to join the chorus of well-deserved accolades—common-sense, I guess, accolades for the distinguished Senator from Indiana, the outstanding chairman of the Senate Agriculture Committee.

The Senator from New Mexico has summed it up very well. I am not going to take the Senate's time to repeat what has already been said in regard to this debate. Senator LUGAR has already done that. Others have done that.

I do have a statement that involves obvious ''golden words of truth'' in regard to this issue that I will simply insert for the record, but I do want to say

again that the use of sanctions as a foreign policy tool have skyrocketed since the conclusion of World War II. The last 4 years, as has been said on the floor, 61 new U.S. laws or executive actions were enacted authorizing the unilateral sanctions against 35 countries, and in all, over 70 foreign nations representing 75 percent of the world's population are currently subjected to a unilateral sanction by the United States.

These are easy perceptions, I guess, actions that people take. I think in earlier days we used to call it gunboat diplomacy. Maybe we sent a gunboat over to a nation to demonstrate our unhappiness with a foreign nation and their policy. But there have been terrible repercussions in regard to these sanctions. They do not achieve their policy goals. They are very counterproductive, and as has been indicated by some across the aisle, and others, we shoot ourselves in the foot. So the distinguished chairman has, for a considerable amount of time, taken a look at the overall objective of sanctions and what has happened in a counterproductive way, not only to U.S. agriculture, but the entire U.S. economy and the global marketplace. He has come up with a comprehensive, thoughtful approach, and it is commensurate with the debate that will take place and the discussion that will take place in this body with regard to sanctions reform overall.

There are those of us—Senator DODD, Senator HAGEL, Senator BIDEN, as well as Senator LUGAR and myself—who want to take a look at all of the sanctions that we have in place. And that is appropriate. We have taken action in a 98–0 vote last week regarding the GSM program and the possibility of selling wheat to Pakistan. The chairman was a real leader in that effort. We have taken action now by unanimous consent on the India/Pakistan situation, which will give the administration flexibility to deal with that issue. The next logical step is to consider, and I think favorably pass, the Lugar reform initiative. So I stand in solid support of the chairman for what he is trying to do.

Madam President, U.S. influence, prestige and resolve in foreign affairs currently rests at a cross-roads. The United States, which has prided itself on providing international leadership through strength and by example, has increasingly turned away from that legacy by embracing ambivalence and sanctions instead of engagement and respect. Nowhere is this more clear than in the area of unilateral economic sanctions.

The United States in recent years has developed a seemingly uncontrollable desire to show our displeasure over a specific action, behavior or belief in a foreign country by punishing that country through the imposition of unilateral sanctions. Regardless of whether a Republican or Democrat was President, regardless of whether Republicans or Democrats ran the Congress, the use of sanctions as a foreign policy tool has literally sky-rocketed since the conclusion of the Second World War. In fact, in just the last four years, 61 new U.S. laws or executive actions were enacted authorizing unilateral economic sanctions against 35 countries. All in all, over 70 foreign states representing nearly 75 percent of the world's population are currently subjected to unilateral sanctions by the United States.

Unfortunately, with few exceptions, sanctions very rarely work. In order for sanctions to be successful, the United States must—absolutely must—convince the entire rest of the world to join our boycott. Unless this occurs, the sanctioned country simply gets what it needs—food, financing, etc.—from the other countries that chose not to join the Sanctions Circle.

There are two serious repercussions when this happens. First, the sanctions hurt us instead of their intended targert. Yes, that's right, when U.S. businesses lose access to markets for their products, U.S. workers lose job opportunities. So instead of joining us in professing outrage about some particularly repugnant act, foreign governments simply feign indignation while they quietly slip in to take away business from U.S. companies. And if you don't think that's true, just ask a foreign businessman or government official whether they support or oppose the American penchant for unilateral sanctions. They love it and they hope it continues.

Yes, this is the second repercussion. Foreign governments—even our allies—have figured out that by refusing to join the United States in imposing sanctions, their countries actually benefit. What a bonus! They can stick it to the United States and create new markets for their businesses at the same time! As a result of this revelation throughout the world, it has become nearly impossible for the United States to build a unanimous case for sanctions against anyone.

Just look at Iraq. If ever a case could be made for sanctions, Saddam Hussein is the poster child. After all, armed aggression against a peaceful neighbor and use of weapons of mass destruction on one's own citizens are truly reprehensible offenses, right? Surely Iraq deserved tougher sanctions when Saddam refused to accept U.N. weapons inspectors just a few months ago, right? Wrong. When Saddam pulled his latest stunt, the vast majority of the world flatly refused to support further sanctions. If we can't build a case for sanctions with Saddam Hussein as our target given the utter disregard he has shown for the United States and the rest of the world, will we ever be able to? I wonder.

Where do sanctions come from anyway? They usually are issued by the President under the authority of at least twelve different laws governing international affairs. Again, in recent years, sanctions have been used far more frequently than ever before in U.S. history. This isn't an indictment of the current administration or any previous administrations; it is simply an assessment of how U.S. foreign policy is changing. Instead of using our influence and diplomacy to encourage good behavior, we attempt to use our power to punish bad behavior. And as I've just discussed, whether used as a threat to try and prevent unwanted actions or imposed as a punishment for undesirable actions, sanctions rarely work.

Although most sanctions are imposed directly by the President, unilateral sanctions can be particularly damaging when they are imposed by Congress. The President of the United States is the Commander in Chief of our country. He is charged with implementing our foreign policy. While the Congress can and should be involved in the construction of that policy, the President is ultimately responsible for implementing it. When the Congress forces the President to impose sanctions on a country for a given action or behavior, it takes away the flexibility the President needs to address distinctly different foreign policy problem that may arise. The Congress basically says, ''we don't know or care what caused the action or behavior; however, we insist that you impose these sanctions regardless of what the ramifications may be.'' That is a dangerous and irresponsible manner in which to conduct U.S. foreign policy.

Let me make one other point regarding the perception of the United States abroad. Foreign countries and their citizens do not distinguish between U.S. military/diplomatic policy and U.S. trade policy. To them, they are the same thing. To them, it's just plain, old-fashioned U.S. foreign policy. When the United States imposes unilateral economic sanctions, when we fail to pass fast track negotiating authority, when we fail to renew IMF funding and when we threaten to withhold regular trading status with China, the prestige and authority of the United States in foreign affairs is greatly and permanently diminished.

I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Madam President, I would like to speak to this amendment and express a contrary view to that expressed by my colleague who has just spoken. With all due respect to the Senator from Indiana, who has put a lot of work into this, and who has offered the amendment, and while agreeing with much of what is in the amendment and much of what he proposes to try to do, I have to object for two reasons to the consideration of the amendment at this time.

First of all, it is in reaction to—at least partially, although he has been at this for a long time, and understanding that we do need to make some

changes—what has occurred with the sanctions placed on India and Pakistan. We just resolved the issue with India and Pakistan primarily because of the amendment we just passed, which eliminates the agricultural component, broadly defined, of the India/Pakistan sanctions. Therefore, to the extent that my colleague, Senator ROBERTS, was just speaking, and others who have talked about the impact on our farmers as a result of the imposition of those sanctions, we have solved that situation.

As a matter of fact, if you analyze the other sanctions imposed as a result of their nuclear tests, it gets down to a very narrow issue of some Eximbank loans or World Bank loans primarily and, therefore, I urge us not to rush into a consideration of this amendment on this particular appropriations bill because of the need to fix something that was not done with respect to India and Pakistan, when we have already begun to solve that problem.

Secondly, because of the fact that sanctions have not always worked as we have desired them, and because of the obvious deficiencies with the sanctions imposed on India and Pakistan, the majority leader has appointed a bipartisan task force, consisting of Members of both parties, with different backgrounds, to deal with this question. We had a meeting yesterday.

I am somewhat shocked that the Senator from Indiana would offer this amendment today, because yesterday he said that he wanted to preserve the option of proposing this amendment at some time in the future. But he seemed to agree with the majority opinion expressed there—in fact, all but one of the Members, in one way or another, expressed a view that a September 1 deadline was somewhat unrealistic in trying to deal with this problem. The Senator did preserve his option to offer an amendment at a future date, but I am shocked that it is offered today because the task force has not had an opportunity to review this matter in any depth.

Madam President, I would like to now discuss some of the things that we talked about yesterday, which I think will illustrate the fact that this amendment is prematurely offered at this time. Again, notwithstanding the fact that the goals behind it—to review broadly our sanctions policy and some of the specifics about it, and to be more careful about how we impose sanctions—are both worthwhile and, in many respects, something we can all agree on, one of the things we can't agree on is a definition of what a sanction is. There is a broad definition, according to the Senator from Indiana. I wonder whether we are really ready to apply the limitations and the tests that are called for in this amendment to foreign aid reductions, because as I read the proposal, one of the sanctions would be a reduction or elimination of foreign aid.

U.S. aid is not an entitlement. We are going to make different decisions every year about how much foreign aid we may want to give to a country. Should that be subject to the limitations imposed in this amendment? How about export controls on sensitive U.S. technology?

We just came from a very highly classified briefing of a committee that was specially appointed to examine the missile threat to the United States. That report is, I must say, extraordinarily concerning, I am sure, to everybody who received it. On some of the countries that pose this threat to us, we have imposed stringent export controls with respect to sensitive technology going to those countries, which could assist them in the development of their ballistic missile technology programs. Are we going to impede the President's ability and Congress' ability to impose those kinds of limitations on the sensitive export of technology to countries that we don't want to have that technology? As I read the amendment of the Senator from Indiana, that is all covered.

We need to have a common definition of what a sanction is in order to apply these kinds of limitations. And there should not be a 45- or 60-day—I think it is now reduced to 45 days—waiting period. There are all kinds of things that would cause either the President or Congress to want to impose sanctions right away and not wait 45 days.

Mr. MCCONNELL. Would the Senator yield for a question?

Mr. KYL. I am happy to yield.

Mr. MCCONNELL. Madam President, I am not sure I ought not to propound this question to the Senator from Indiana.

It is my understanding that this morning the President announced sanctions and trade reductions, under the International Emergency Economic Powers Act, against certain Russian companies. Is it the understanding of the Senator from Arizona that that is the kind of sanction that might not be allowed under the Lugar amendment?

Mr. KYL. Madam President, I will give the Senator my understanding of it, but I would be pleased, also, to refer that question to the Senator from Indiana. As I read it, that kind of sanction would, of course, be controlled by the 45-day limit, and the rules of the Senate that would apply, and so on. I think the Senator from Indiana should defend his own proposal.

Mr. LUGAR. I thank the Senator.

Mr. MCCONNELL. Then I pose the question to him.

Mr. LUGAR. Clearly, the President, in the case of an emergency, has a right to impose whatever sanction he wants. There is no prohibition. Obviously, when national security is involved—and the national security situation is explicitly mentioned—I think that is important. But I ask the President to tidy things up. In other words, after imposing the sanction, he should state, if he has not already, the objectives and benchmarks and the cost to the American people of jobs and income. Some administration people have objected to the President playing by the same rules as the Congress. Nevertheless, the amendment is even-handed. He has to fill it in. But he has emergency powers, of course.

Mr. MCCONNELL. So, if I can follow up with the Senator from Indiana, is that the 614 national security waiver? Does that sort of override everything? Is that some sort of override?

Mr. LUGAR. If that is the correct text of the national security waiver, yes.

Mr. KYL. We will get back to that because I am not sure—if that is the intent of the Senator, I will have to see whether or not, in fact, it is effectuated.

Let me get to another national security issue. We have, I think, come to the conclusion—most of us, but not all in this body—that it would be a mistake to put an explicit time limit, for example, on our presence in Bosnia, or an explicit time limit on certain other kinds of military activities or threatening national security activities because, of course, what that does is enable the party against whom the action is being taken to simply ride it out and to understand if they can just get by the next 60 days or 6 months, then they will not have to worry about that. So we have always taken the position that when it comes to this kind of thing—national security—our actions should be somewhat open-ended to ensure that the other party begins acting in the way that we would like to have that party act.

Obviously, when you have a 2-year sunset on these kinds of sanctions, you eliminate that flexibility. I think that is one of the reasons why most of us have tended to want to support the kind of review and analysis about which the Senator from Indiana is talking. Clearly, that kind of thing should be done. But there should be a mechanism for the Congress and the President to, in effect, pull the plug on a sanction whose time has run rather than to have an arbitrary time limit for its imposition.

If the Senator from Indiana would like to respond, I am happy to yield.

Mr. LUGAR. Madam President, to answer the question posed, both the President and the Congress can reauthorize the action after two years. Additionally, they are constrained simply to explain how successful things have been and what their objectives were to begin with. But the law—at least my amendment—explicitly gives them the ability to reauthorize. They have to take that affirmative action.

Mr. KYL. If I could, Madam President, go to another point; that is, the failure to discriminate among or between different kinds of sanctions.

The amendment, as I read it, treats all sanctions alike. It does not differentiate between sanctions imposed for the transfer of nuclear technology, for example, or the exploding of nuclear devices in violation of treaties, and

sanctions imposed for less dangerous activities, for example. In a sense, when one reads it, it appears to condone sanctions which have as their goal the promoting of trade but severely restricts sanctions for other purposes.

I understand that the Senators from farm States have been very concerned about limitations on exports of agricultural products.

As I say, I think we are all pleased to support the amendment which enables India and Pakistan to import American agricultural products. But I think we ought to examine this in a balanced way and understand that many of the sanctions are imposed for national security reasons. I think most of us understand that national security has to take a front seat to other considerations of a lesser degree of priority, if, in fact, it has gotten to the point that the country, either the President or the Congress, thinks it is in our national interest to impose sanctions. Yet, under the sweeping definition of a sanction here to mean literally ''any restriction or condition on economic activity,'' it appears there is no differentiation to account for the differences in reasons why we impose sanctions.

For example, as I said before, we may have a reason to sanction a particular country, or a particular kind of trade activity, because of the national security implications of that. With respect to China, for example, we require a special waiver for certain kinds of technology transfers, or the launching of satellites, just to cite one example. It seems to me that is an entirely different kind of sanction than the typical kind of trade sanction on imports or quotas that we might apply for some other reason.

I think it is very important for us to try to come to some agreement on a definition of just exactly what is a sanction before we begin applying across the board a set of rules that would automatically sunset sanctions after 2 years; that would require a 45-day time period before sanctions could be implemented; that would change the rules of the Congress, in effect, after first stating that it is our policy that these things should be done, and changing the rules of the Senate to ensure that policy is affected.

It seems to me that we have time to deal with this now since we have dealt with the immediate emergency. The leader has appointed a task force, and we have identified this as one of the things that we need to do in this task force so that we are clear about the differentiation between the different kinds of sanctions before we begin identifying what kind of limitations should be placed upon each of them, and, therefore, that consideration of this amendment at this time is premature notwithstanding the fact that many of the ideas in the Senator's amendment might well be the kinds of things that we would adopt for certain kinds of sanctions when we end up actually adopting legislation.

But, clearly, this is not something in which there is an easy one-size-fits-all solution. I fear that is what we are doing by trying to rush this matter.

I will be happy to yield the floor at this time. I will have other things to say, but I know the Senator from Kentucky, who chairs the task force, wants to speak to the issue as well.

Mr. MCCONNELL. Madam President, as a follow-on to my good friend from Arizona, let me say first I am a farm State Senator. I have been on the Agriculture Committee for 14 years. I am a supporter of GATT, NAFTA, fast track, and replenishment of the IMF, which we handle in our subcommittee of appropriations for foreign ops. So put me down as a free trader. Also, put me down as a principal sponsor of the amendment last week to lift the agricultural sanctions on India and Pakistan. We did sort of a partial job on that last week, and then, as the Senator from Arizona pointed out, sort of finished the job today.

Also, put me down as a great admirer of the chairman of the Agriculture Committee and his distinguished work over the years in foreign policy, and on trade matters as well.

The majority leader asked me to chair the task force on sanctions. The Democratic leader asked Senator BIDEN to do that. As the Senator from Arizona just pointed out, we have had an opportunity to only have one meeting. It was yesterday.

I say to my good friend from Indiana, by September I might well be supporting this bill. But I am, frankly, among those in the Senate—and I expect this is almost everyone in this body—who has not been exactly consistent on the subject of sanctions over the years. Having supported MFN to China, I have also advocated certain kinds of sanctions against Burma. My guess is that there is hardly anybody in this room who has been entirely consistent on this subject.

What the distinguished Senator from Indiana tried to do here is to enact a broad piece of legislation that may well be justified. But let me say I am just not yet comfortable in taking that step. Maybe by September I will be comforted that this is what we ought to do. But I want to echo the observations of the distinguished Senator from Arizona that I am just not sure we are ready, as a body, to wipe the slate clean.

Reading from Senator LUGAR's bill, unless I am missing something here, it says, ''Notwithstanding any other provision of law, the President may not implement any new unilateral economic sanction under any provision of law with respect to a foreign country, or foreign entity, unless at least 45 days in advance of such implementation the President publishes notice in the Federal Register of his intent to implement such sanctions.''

It is my understanding that just today the President announced sanctions and trade restrictions under the International Emergency Economic Powers Act against certain Russian countries. I am concerned, for example, whether under this bill the President could have taken that step. Maybe he should not have. Maybe that is the point of the bill.

But let me just say, Madam President, that I am queasy about taking such a broad, comprehensive step, even though it is only prospective, before we have even had a chance to work our way through it. I confess that many of us have not spent the amount of time the Senator from Indiana has already spent on it. He is undoubtedly one of the experts in the Senate on this subject.

But, since all of us are called upon to vote, let me appeal to those in the Senate who may not yet have the level of expertise on the sanctions issue that the distinguished chairman of the Agriculture Committee has, and ask the question, Are we ready to enact on this appropriations bill a broad, sweeping sanctions policy at this time?

Let me repeat. The Senator from Indiana may be entirely correct that this is the way to go. But I will suggest to the Senate that we give this a little more time and think it through a little further. I am not sure the work of the task force, on which many of us serve, including the Senator from Indiana and the Senator from Arizona, is going to shed a whole lot of light on this. But we are going to try. We are going to try to shed some light on it by having a hearing on July 30. We are going to try very hard to meet the majority leader's deadline of having at least a report by September 1. That may or may not enlighten a whole lot of Members of the Senate.

But for those of us who have not spent as much time on this as the distinguished Senator from Indiana maybe, that report will be helpful to us. Maybe we will get a chance, as the Senator from Arizona pointed out, to kind of start out with what a sanction is. I am not even sure I know, frankly, at this point exactly what is and what isn't a sanction. Is a restriction in a foreign aid bill a sanction? Do we make a distinction between transfers of military significance? I think most Senators would argue that you should make that kind of distinction on things like agricultural products, food and medicine, and the like.

So I commend the Senator from Indiana for a very important piece of legislation and just suggest that maybe this isn't the best time for most of us to be going forward on this, and I hope we can shed some light through the task force over the next few weeks on this whole subject.

Madam President, I yield the floor.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

I rise to join with my colleagues from Arizona and Kentucky, who have just

spoken, with a certain sense of reluctance about opposing the amendment of the Senator from Indiana because of the respect I have for him, because of the thoughtful way in which he goes about matters generally and particularly matters of foreign policy. But to echo what has just been said, this is a very complicated and controversial subject, an important exercise of one of the major options that the United States has in carrying out its foreign policy.

The bipartisan Senate leadership has created a task force that has been referred to. As has been said, we only had an opportunity to hold our first meeting yesterday. So I think for us to act on this quite comprehensive piece of legislation, which will dramatically alter the landscape in which the United States, Congress, can impose economic sanctions, is a rush to judgment before we have had a chance to hear from all sides, as the task force will do—a public hearing is going to occur—to reason together and then to come up with a proposal.

As the Senator from Kentucky said, the end proposal may contain major parts of the amendment offered by the Senator from Indiana. But I think we would do much better and serve our national interest better if we worked this out over a period of time. There is no emergency now that I can think of, that I know of, that requires us to adopt this wholesale change in what has been a fundamental part of our foreign policy for a long time now, deriving, incidentally, from a constitutional premise of the ability, Congress' ability, to regulate commerce with other nations of the world.

So I think this is premature, though probably thoughtful. But I say ''probably'' because this is a detailed amendment which I, frankly, have not been able to absorb in the time it has been in the Chamber, to make a reasoned judgment, even if there was not a task force that had been appointed on this very subject.

I hear the Senator from Indiana; his intention is for its effect to be prospective, not to affect any sanctions that are in law now, and yet there are sections of this that begin ''notwithstanding any other provision of law'' and impose procedural requirements that make me wonder whether they would affect, for instance, the President's ability to impose sanctions in an emergency situation which, if we adopted this amendment, he might be limited from doing.

So there are questions. And I think we should step back, acknowledge that there is a chorus that has risen rather rapidly in the last period of months questioning the extent to which we have applied sanctions, the manner in which we have done it, and listen to that chorus but not rush to act in response to it before we have had a chance, each of us, to deliberate and do what is right.

Now, I want to offer one other set of thoughts here, Mr. President. Why is this so important? Well, let's all begin with the fact that most of us acknowledge, as the Senator from Kentucky said, we have not, most of us, been consistent in our votes on these matters. It is hard to be consistent in our votes on matters of sanctions, that they have been used too much. I think most of us in this Chamber would say that. That is why the leadership created the bipartisan task force, to begin to set some guidelines. But in all the criticism that we are heaping on ourselves, I think it is important not to lose sight of the value of sanctions. They are, roughly speaking, one of three options that a government has to protect its strategic interests and uphold its ideals—diplomatic, economic, and military.

If I may say so—and I know people sometimes say that we are foolish to do this, that it is self-defeating—we have to consider the impact some of the sanctions have had not just on farm States. I can tell you, some of the sanctions regimes have had an effect on manufacturing, high tech and industrial, from my State. And I am not reaching judgment on the net effect.

Let's just say a word for the fact that there is a part of our national character that, as Americans, is prepared to say we care so much about what is happening in another country, about the way that country is suppressing its people, or the threat that that country represents to our security because they are threatening their neighbors, who are our allies, or they are building missiles, that we are prepared, if our allies will not go along with us, to impose economic sanctions on them to affect their behavior. In an age when a lot of people question, well, all we care about is materialism, I am speaking respectfully of the impact of sanctions on people. This is in its way an expression of American idealism and principle and values. And while we may have overused it, we should not diminish its utility and its substance.

Finally, Mr. President, there is a very important question to ask: Have they worked? I think the record is mixed, but that is something I would like to have our task force study and, at least as one Member, learn more about. I don't know enough about it.

I know most people cite South Africa as a case where sanctions worked. Those were multilateral. More recently, sanctions we imposed on Colombia did work to alter the fundamental policy of the Government on an issue that matters to us. We have sanctions against Iraq and Libya. Well, I note that the heads of those regimes worked mightily in international diplomatic circles to get the sanctions off, so they must be having an effect on them. The same is true about the opposition of the Chinese to sanctions that we consider, and the Russians with regard to supplying components of missile parts to Iran.

I know that Senator LUGAR is not speaking against sanctions generally, and I appreciate that, and I share that view with him. We share that view because we understand, I hope all of us, that sanctions have value and have had effect. We are using them too much, but I think it requires more thought than we have had the opportunity to give before we vote on this amendment to change the ground rules so dramatically. So I intend to vote against the amendment.

I yield the floor.

Mr. BIDEN. Mr. President, I will vote against tabling the Lugar amendment. It is a useful starting point in bringing some rationalization to our sanctions policy.

I have been in the Senate for over 25 years. Over that time, I have supported many sanctions laws, and even authored a few. But I am now re-examining my approach to sanctions policy. I do so not because I oppose sanctions—sanctions are an important part of our foreign policy arsenal.

But I believe we need to rethink our overall approach. Statutory sanctions, once imposed, are difficult to repeal, and they therefore do not provide the President the flexibility that I believe he needs to conduct foreign policy. As we all know, it is easier to block legislation than to pass it; accordingly, lifting a sanction to meet changed circumstances is difficult, and sometimes impossible. I believe, therefore, that we have to start building into our sanctions policy the necessary flexibility for the President to waive, modify, or terminate sanctions with the ability of the Congress to respond to his actions.

The Lugar bill is not perfect. It has a few provisions that I believe should be changed or modified. For example, I do not believe it is wise to provide, as the amendment does in Section 806(c), for a point of order against legislation in cases where the Senate has not received required reports from the Executive Branch. This provision would conceivably permit the President to prevent consideration of a bill simply by withholding the required report. In addition, I believe the bill should clearly exclude from the definition of ''sanction'' those measures taken to enforce criminal laws and those measures taken pursuant to the authority of the Federal Aviation Administration to ban foreign airlines from flying to the United States which do not satisfy our safety standards. Finally, I believe the contract sanctity provision is too broad, for two reasons. First, there may be cases where a multi-year option contract would render the sanction—at least as to that contract—a nullity. Second, there may be cases—a proliferation sanction comes to mind—where it may be in our national security interest to stop the flow of technology immediately.

Despite these concerns about the Lugar amendment, I will vote against the tabling motion. The bill is a good framework upon which we can begin to construct a more rational sanctions policy, and I believe the Senate should continue to consider it further on this

bill. I did not offer amendments to perfect the amendment because it was obvious that it was not going to be adopted and if it was it could be perfected in conference. We will surely revisit this issue at which time I'll have more to say.

Mr. KERRY. Mr. President, I would like to take this opportunity to share my views on the amendment of the Senator from Indiana which was voted upon earlier this evening. I agree with those of my colleagues who have argued that we have too many unilateral sanctions in place, many of them mandated by Congress, and that often these sanctions fail to achieve the stated foreign policy objectives while hurting American business and competitiveness. I support the overall objective of the amendment offered by the Senator from Indiana—to provide a rational framework for the imposition of sanctions by both the Congress and the President. However, some aspects of this legislation concern me, in particular the broad definition of the term ''unilateral economic sanction'' and the extensive process which is to be exhausted before sanctions are imposed.

I have always believed that sanctions are most effective when they are multilateral not unilateral, but I also recognize that there may be circumstances in which we need the option of imposing sanctions unilaterally, for example to send a message of disapproval of a given regime as we did with respect to the military junta in Burma, or to respond to a horrific event such as the use of force against those protesting for democracy in Tiananmen Square in 1989. I recognize that the legislation of the Senator from Indiana does not prevent us from imposing sanctions in these cases but I fear that the process in the bill would make it more difficult to do so expeditiously. In light of these concerns and the fact that the Senate Task Force on Sanctions, of which I am a member, is trying to address the question of unilateral sanctions and is going to begin hearings later this month, I voted to table the amendment of the Senator from Indiana at this time. However, I believe there is much of worth in this legislation, and I would like to work with him and others who believe, as I do, that we must reign in the tendency to address every foreign policy problem with a sanction.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me just say, at the rate we are going, we should be able to finish this bill by Saturday night a week around midnight. We have 64 amendments left. We have spent about 2½ hours on this one. A lot of the people on this side are going to the White House at 4:30, and I hoped we could get a vote on it before they had to depart. I am always reluctant to suggest to anybody they cut their remarks short, and I guess we have already missed the 4:30 deadline. I see two Senators who are just chomping to speak, so there is no point in asking for a time agreement at this point. But I just want to make the Members aware, and I know I am joined by my distinguished chairman in saying, we are going to have to do something to speed this process up or we are not going to get out before December 1.

I thank the Chair.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. MURKOWSKI. I think the Senator from Arizona wants to propose a unanimous consent.

Mr. KYL. Yes. I thank the Chair. I thank my colleague from Alaska.

PRIVILEGE OF THE FLOOR

I ask unanimous consent that John Rood be admitted to the floor during the pendency of this amendment and other amendments on which he may desire to be present under my supervision.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I will try to be brief. I recognize the timeframe.

I think it is fair to recognize another thing though: That two-thirds of the world's population, or thereabouts, are under some type of sanctions or threatened sanction by the United States. I think the question we have to ask ourselves is, As we address the justification of sanctions, are we really helping the people we want to help?

I commend the Senator from Indiana, Mr. LUGAR, for bringing this matter up, because we can continue to debate it, we can continue to evaluate it, but the reality is, it is time to address the effectiveness of these sanctions. And, as a consequence, I rise to support the amendment of the Senator from Indiana on sanctions.

I think he is offering the amendment for one reason, which is because sanctions are now a popular choice to promote our agenda and, of course, legitimately protect our national interests. There is nothing wrong with this reasoning except many times sanctions simply do not work in the manner that we have intended. They are one tool that we can use against rogue nations—granted. The question is, How effective are sanctions? In what cases should they be used? Unfortunately, as I have indicated, the tool of choice is sanctions. Some suggest it is a hammer for brain surgery.

In any event, it is time to take stock in whether this amendment by the Senator from Indiana passes now or later. I think it is fair to say we should take up this matter and resolve it and examine, if you will, the posture of our policies.

Let me conclude with one reference that is in the amendment of the Senator from Indiana; that is, he sets guidelines before imposing sanctions. That is important, in his amendment. The amendment will require a check and balance. It will require information on the goals of the sanctions, the economic costs to the United States, the effect on achieving other foreign policy goals, and whether other policy options have been explored. It is kind of a cost-benefit risk analysis. I wish we could apply it to some of our environmental measures. That is what we are proposing here, and that is why I support the amendment of the Senator from Indiana.

This amendment will require careful thought before imposing sanctions. It does not prohibit sanctions. Dozens of sanctions are now pending before Congress. Sanctions, because they are the easy way out, have become a knee jerk reaction.

Between 1914 and 1990 we imposed unilateral sanctions 116 times. Between 1993 and 1996 alone we imposed unilateral sanctions 61 times on 35 nations. In 1995 alone, it is estimated that sanctions cost the United States $20 billion in exports.

The President has declared a national emergency 16 times during his term. In the case of Burma, the President invoked unilateral powers reserved to ''deal with an unusual and extraordinary threat.''

Is Burma an ''unusual and extraordinary threat'' to the national security of the United States? I will go out on a limb and say perhaps no.

But that is the problem. The choice to use unilateral sanctions is easy. It is a choice made for the short term to appease special interest groups. No thought is given to the chances of success or possible alternatives.

Will unilateral sanctions work in Burma—probably not! Will they hurt the people we are trying to help—definitely so!

We must look to the long term.

I think a perfect example of this is Vietnam. Restoration of diplomatic relations and the lifting of the trade embargo on U.S. exports led to progress on the MIA issue and greater economic freedoms in Vietnam.

The old saying that a rising tide lifts all boats is true.

When we decide on appropriate action to take against rogue countries, we must make decisions based on what are the most persuasive actions rather than the easy way out.

I do not condone the policies of Iran, or Libya, or North Korea. All these countries clearly pursue policies contrary to our national interests.

But I believe it has come to the point where U.S. unilateral sanctions run the risk of being completely counterproductive because they get in the way of more effective multilateral steps that could be pursued.

Unilateral sanctions should be a tool of last resort and only used after careful thought about the consequences, the costs, and the chances of success. I urge my colleagues to support Senator

LUGAR. Implementing sanctions should not be based on emotion but on a rational process. This is what this amendment does.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I will also keep my statement very short.

Mr. President, I also strongly support Senator LUGAR'S amendment to include the Enhancement of Trade, Security and Human Rights through Sanctions Reform Act to the agriculture appropriations. Consistent with our commitment yesterday to help American farmers, I believe this is the appropriate time to consider this important amendment that will help us think about the consequences of unilateral sanctions before they are imposed, either by the Congress or by the President.

As you have heard, this amendment does not prohibit the Congress or the administration from imposing Unilateral sanctions, but it forces us to think before we act. It is easy to look like we are combatting various problems such as human rights abuses, religious persecution, nuclear proliferation, child labor, etcetera, by imposing unilateral sanctions. But it is not so easy to determine the negative effect they will have. It is my opinion that unilateral sanctions do not work. They do not force countries to adopt our policies, or our standards. Therefore, they wind up doing nothing but hurting our American farmers and workers who lose export opportunities to the affected nations.

Senator LUGAR'S amendment, which I have also cosponsored in its bill form, establishes procedures by which we can analyze the impact of the sanctions—first, whether they——

Mr. STEVENS. Will the Senator yield for just a moment?

Mr. GRAMS. Yes, sir.

Mr. STEVENS. Mr. President, I would like to notify the Senate that at 6 o'clock I shall seek the floor to move to table the Lugar amendment. I think it is a vote that must be taken to see where the votes are on this amendment. If it is not tabled, then it will still be open to amendment, but hopefully we might be able to work something out to see in what shape we would agree to take the Lugar amendment to conference and have a vote on whatever the Senator wants. But I do expect to make a motion to table the Lugar amendment at 6 o'clock. I ask cloakrooms notify their respective sides of that.

I thank the Senator.

Mr. GRAMS. Just to briefly finish my statement today, I believe the Lugar amendment will help to establish procedures by which we can analyze the impact of these sanctions. That is first by whether they will accomplish the intended purpose, and second, the impact they have on U.S. international competitiveness and other foreign policy goals.

This amendment is also flexible. The President can waive the provisions of this amendment in an emergency, and the amendment does not affect existing sanctions. It also does not apply to multilateral sanctions.

I urge my colleagues to take a look at this, to support this amendment which will help us determine whether a particular unilateral sanction will work or whether we should pursue the problem in another way. If unilateral sanctions are imposed, we need to ensure they will work and they are initiated only as a last resort, and only after multilateral sanctions are pursued.

Again, I thank Senator LUGAR for his leadership on this important issue. For those of us concerned about the growing trend toward unilateral sanctions without analyzing whether they will work or how they will affect our farmers and workers, I think this is a no-brainer. This is an amendment that should have no opposition from this body.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I am sure when my colleague just referred to a ''no-brainer,'' that no one would be in opposition to it, he wasn't suggesting there is not a logical, reasonable argument in opposition to the amendment, and I would like to again try to make that and urge my colleague, if he would like, to engage in any kind of colloquy he would like to clarify what I have to say, to at least assure him that there is a reasonable argument on the other side.

I want to begin by commending Senator LUGAR for identifying many of the things which ought to be done with respect to the imposition of sanctions in his amendment. He has a lot of good material in this amendment. I know he has given it a lot of thought. I think, at the end of the day, we will be able to accept a lot of that.

Mr. President, I also believe there are some things that are not adequately thought out here. I would like to focus on a few of those. One of the things I am pleased with is a very broad definition of national emergency, which would permit the President to essentially waive the requirements of the legislation in the event of a national emergency, which is very, very broadly defined here. In one sense, that is good. But in another sense, all of the good that we are trying to achieve here could be easily undone, simply because the President decided to go forward and waive in the interests of national security. If the national security definition were a little tighter, then what we are seeking to accomplish here could probably be done, and the President would not be able to undo it easily through the invocation of a national emergency waiver.

So I want to begin this part of the debate by acknowledging that some of what the Senator from Indiana is seeking to do clearly is going to gain wide acceptance here. In some cases, we are not going to want to let the President easily get out from underneath these requirements, which the definition of national emergency, in my view, would allow him to do.

I also want to begin by making a point that one of my colleagues made, and that is to establish bona fides with respect to this. I have been getting a lot of calls from commercial associations seeking support for this, in the name of free trade. I have always supported fast track and do to this day, and I hope we will take fast track up again this year and pass it. I have supported GATT. I have supported NAFTA. I will proudly call myself a free trader, too. So my comments are not made from the perspective of someone who has not supported trade. In terms of business support, I certainly provided that.

But we also have a national security obligation as Members of the Senate, and what I do not see adequately addressed in this amendment is the careful balancing between support for economic considerations on the one hand, and national security on the other. Those interests have to be very carefully calibrated. I think, with some additional work on the amendment of the Senator, we might be able to help achieve that calibration, but not if we have to vote on that today.

Third, I mentioned the definitions problems, and I would like to get into that in detail now. I would like to read from the amendment of the Senator, the very first definition of what we are talking about when we talk about a unilateral economic sanction. Here is the definition. I am quoting:

> The term ''unilateral economic sanction'' means any prohibition, restriction or condition on economic activity, including economic assistance, with respect to a foreign country or foreign entity. . .

Et cetera, et cetera, et cetera.

That means foreign aid, for example. So before we do a foreign aid bill here, are we going to have to go through the requirements of this legislation? Before we reduce a country's foreign aid, is the President going to have to give the Federal Register notice for 45 days? Is the Congress going to have to wait for 45 days before we can reduce that aid? Is that reduction going to be in force only 2 years and then we would have to revisit it? Something as simple as foreign aid—we raise and lower a country's foreign aid every year for lots of different reasons.

We may apply a little more money to the foreign aid budget and be able to increase aid, or we may reduce it and have to increase aid. It has nothing to do with whether we are trying to sanction somebody or punish somebody or prohibit trade. Yet, that would be implicated because of the breadth of the definition of ''economic sanction'' contained in the legislation.

What about some of the other actions that we may take? I mentioned before export controls on sensitive U.S. technology. I think it is absolutely incredible that restrictions of U.S. trade,

technical assistance, or any other way in which the United States would provide assistance to another country with respect to sensitive matters would be deemed subject to the requirements of this legislation.

This legislation may well be appropriate for the kind of sanctions that we would apply against a country that doesn't agree with us on a particular human rights policy, for example, or something of that sort or perhaps with whom we have a trade dispute. But it certainly should not apply to the limitations that this country imposes upon U.S. businesses wanting to transfer technology to another country. There are good and sufficient reasons we have an entire regime of export controls in place.

To show just exactly how far this legislation goes—and I think this is critical before Senators vote in favor of this amendment—they had better understand the following: We have just had exposed a tremendous technology transfer to the country of China that occurred because a couple of U.S. companies may—may; they are under investigation for it—allegedly have violated U.S. law with respect to technology transfer.

When a missile blew up and destroyed a satellite, information was provided to the country of China. That may have been in violation of U.S. law. It may well have compromised our national security. Yet, the kind of things that we impose upon companies that are going to do business with a country like China to limit the transfer of that highly sensitive technology would be implicated because of the breadth of the definition of this legislation.

Would we be able to limit the kind of technology transfer that has gone on to China that we are trying to stem?

Would we be able to require defense monitors to accompany this equipment?

Would we be able to preclude reports being issued to the Chinese Government on what went wrong with a particular launch?

Would we be able to require an export license for the kind of satellites being exported here or the kind of technology that is being transferred in aid of the launch of U.S. satellites to make sure the rockets themselves don't blow up?

Would we be precluded from putting those kind of technology transfers on a munitions list?

Would we be precluded from requiring reviews by the Justice Department?

This morning I talked with the Attorney General in a hearing of the Senate Judiciary Committee, and I said, ''Even though you had this matter under direct investigation, pending investigation, and Sandy Berger, the National Security Adviser, was advised that it could significantly adversely impact the judicial process of the prosecution of people who would be indicted for having possibly violated the law, for the President to grant a subsequent waiver, notwithstanding that the President granted the waiver,'' and I asked the Attorney General, ''did you object to that in any formal way?''

She said, ''No, there is nothing in the law today that permits or requires that, and there is not even any procedure for that.''

I said, ''Do you think there should be?''

Her answer was, ''We are working right now on recommendations that would get the Justice Department into the loop here.''

What I am saying, Mr. President, is that with regard to the transfer of highly sensitive technology that could jeopardize the national security of the United States, we do impose limitations, and as I read the definition of ''unilateral economic sanction,'' many of the kind of activities in which we engage here would be implicated by this definition.

I know, or at least I firmly believe, that the Senator from Indiana would not want to jeopardize our national security and that it would not be his intention to have that kind of technology transfer limited, or the limitations on that kind of technology transfer limited by his amendment. Yet, as I read his amendment, that is exactly what occurs, because, again, the definition is:

> Any prohibition, restriction or condition on economic activity.

Clearly, all of the things that we imposed on Loral and on Hughes are restrictions and conditions on their economic activity with China, and for a good reason: to prevent the transfer of technology that we think might harm our national security.

Are we saying today, are we willing to vote for an amendment that essentially says, with respect to that kind of condition, we are going to treat that as a sanction and we are going to put all kind of limitations on whether or not it can be done?

One of the answers is, ''Well, there's a section in here that permits the President to waive any of this if there is a national security interest involved in that case.''

Mr. President, it seems to me that we simply ought to make an initial determination that there are certain kind of things that we do not deem to be economic unilateral sanctions and they ought to be excluded in the legislation in the first instance, because otherwise we are going to have an extraordinarily cumbersome procedure where thousands of things that this Government does, in either the executive or the legislative branch, from foreign aid decisions of the Congress to highly sensitive national security technology transfer limitations, are going to be deemed to be sanctions that have to go through the processes of review and delay and sunset, and so on, of this legislation, or else be exempted by a waiver that the President would then have to specifically invoke with respect to each one of those particular actions.

That doesn't make sense. That is why I say this one-size-fits-all kind of approach is not the right approach. The kind of things the Senator from Indiana should be dealing with are a fairly narrow range of economic activities and limitations on those activities that either the President or the Congress has imposed in the past but that don't have anything to do with foreign aid, that don't have anything to do with national security technical assistance limitations and the like.

That is the third point I want to make.

I should also note that there are other things that could be deemed conditions or restrictions on economic activity, like denials of visas, cuts in taxpayer-funded export credits such as from OPIC or Eximbank. Are those things implicated by this? I think clearly they are. Is that the intent of the Senator from Indiana? And, if so, how are we going to get around those with a national security waiver? There are some things that I don't think we want this to apply to for which the national security waiver isn't going to be available. There, again, the one-size-fits-all approach to this just isn't going to work.

I will conclude this third point by reiterating what I said before. One of the things the Senator from Indiana is trying to do here is to be sure, before we invoke sanctions, we think it through, we analyze the impact, and we have a set of standards by which to measure whether it is effective or not and we have a mechanism for ending the sanction that forces us to, in effect, focus on whether or not it has been effective and we want to continue it or not.

All of those are valid propositions. My guess is, before we are done with this, that kind of approach will be adopted by the Senate. I am not arguing against those things, but what I am doing is reiterating the argument of the Senator from Connecticut, the Senator from Kentucky, and expanding on a point that I made earlier, and that is that just as we are getting into this issue with the first meeting of the sanctions task force—a bipartisan task force—yesterday to identify exactly what we want to cover by the kind of reforms and others that the Senator from Indiana is proposing, just as we are beginning this process, we have placed on the desk an amendment that is going to do it all and do it with a definition that is so broad that it would cover virtually any condition or limitation on economic activity. That is not, I think, what the sanctions task force views as the proper approach.

I urge my colleagues to slow this process down just a little bit. We don't have to have this amendment on this appropriations bill today. I am sure that if the Senator from Indiana will work with us, if there is deemed to be a necessity to put something in place fairly soon, and certainly before the end of this legislative year, we can come up with a good set of criteria,

such as those the Senator has in his bill, for imposing sanctions—a good review process, some mechanisms for revisiting the sanctions after a point in time to ensure we still want them in place. All of those things that Senator LUGAR's amendment goes to I think we can include in a piece of legislation. But I also think we are going to want to take a look at these definitions carefully and modify them to some extent so in one case it does not go too far and embrace just too many things, and in another case it perhaps does not go far enough.

Finally, I will close with this point, Mr. President. Sanctions—and because of the breadth of the definition of sanctions here, I think we are literally talking about any kind of action the United States might take—can be in response to all kinds of different things.

We have the Jackson-Vanik sanctions that were imposed upon the Soviet Union when it would not allow the immigration of Jews from the Soviet Union. We have sanctions that were imposed on South Africa to try to change that country's behavior. We have sanctions that were imposed upon the Soviet Union after it invaded Afghanistan. We have sanctions in aid of various treaties or agreements that are hard to enforce unless you can impose some kind of sanction. The NPT, Non-Proliferation Treaty, and other kinds of treaties that we have signed, some bilateral, some multilateral, have to provide some kind of enforcement.

As Senator LIEBERMAN pointed out, you do not want to have to turn to the military option right off. So all you have are economic or diplomatic activities. Now, diplomatic activities sometimes work; sometimes they do not. They more frequently work if you have some other kind of hammer behind it, like a military or economic card to play. What it boils down to is that an economic limitation can sometimes be very important. But I do not think we ought to blame sanctions necessarily when things do not go right.

The best example of a failed policy is one which we have all dealt with here very recently, and that is the automatic sanctions that were imposed upon India and Pakistan—for doing what?—for nuclear testing.

Mr. President, I submit that the problem here is not sanctions per se. The problem is that the policy that was put in place was a failed policy to begin with, and to attach sanctions as the only way to respond to that was simply wrong. Congress was in error for doing that. We are now rushing to correct that error. But we are doing it in the wrong way.

Let us understand that the problem with the sanctions on India and Pakistan go back to the fact that as a nation we should have recognized that, just like China, Russia, and France, these nations are going to do what they think is in their best national interest, which may include testing nuclear weapons, and that they are going to do that irrespective of world opinion or economic sanctions. Their own internal country opinion was more important to them.

In both cases, they were willing to suffer the consequences economically that might result from sanctions being imposed. In fact, I think in both countries there was a certain sense of pride that they did this and that they could stand up to the rest of the world. So for us to have had to impose economic sanctions was folly. It was never going to work. These countries were going to do what they felt was in their best interest, and we were not going to be able to stop them with economic sanctions.

All we did was hurt a couple of countries that have been friendly to the United States—in the case of Pakistan, a country that is really hurting economically. And the last thing I think we really wanted to do is hurt the people of Pakistan with these sanctions; nor did we want to hurt our own country's agricultural interests. The problem was not sanctions per se. The problem was in ever thinking that we could, by the use of something like sanctions, prevent them from doing what inevitably they were going to do.

Let us not blame sanctions; let us blame a failed policy embraced by the U.S. Congress. Sanctions sometimes do work; and, as Senator MCCONNELL said, sometimes they do not work. Our record has been inconsistent in this regard. I know that is one of the things that Senator LUGAR is trying to address here. But that should animate our thinking here—not that sanctions are per se wrong and, therefore, they have to be used only in very, very limited situations, and so on, as some of the language in this amendment suggests. I agree with that as a general proposition.

We ought to be careful how we use sanctions because in some cases they are never going to be effective because the underlying policy is not a valid policy. But by the same token, in the interest of satisfying our commercial constituents, I do not think we should rush to judgment here and literally throw out the baby with the bathwater by making it very difficult to impose or retain sanctions in the future when, in point of fact, there are certain areas, like national security, for example, where we very definitely want to have conditions or limitations on economic activity—the definition in the bill—that have nothing to do with the ordinary understanding of sanctions.

For that reason, I urge my colleague from Indiana to withhold for a few days or a few hours or some point in time where we can sit down and try to rework the definitions and rework some of the other language so that we are not applying a one-size-fits-all solution to what is, as Senator LIEBERMAN pointed out, a very complex situation.

We were going to address this through the task force and take quite a bit of time to do it. If there is any reason to rush to judgment here, let us at least take enough time to narrow what we are doing and try to make it apply in a fairly restricted way to achieve whatever short-range objective we have here until we have time to think it through more thoroughly to impose a policy that would cover all of the different kinds of limitations that, as a country, we may wish to impose.

Mr. President, I urge that this amendment not be supported, that if a motion is made by Senator STEVENS, that we support that motion, and that we not consider the amendment at this time. I certainly, as a member of the sanctions task force, will work with Senator LUGAR to try to take many of the good ideas he has in this legislation and pull them into a bill I think all of us can support at the appropriate time.

Thank you.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. BRYAN. Mr. President, may I inquire as to the parliamentary situation on the floor? The intention of the Senator from Nevada is to offer an amendment, of which I have alerted the manager. If there is a pending amendment, if I could be so advised, I will make the necessary request.

The PRESIDING OFFICER. There is a pending amendment to be laid aside.

Mr. BRYAN. I thank the Chair for his courtesy.

Mr. President, I see the chairman of the committee is rising. I would certainly yield to him.

Mr. LUGAR. I ask the Senator a question. If it is just a parliamentary procedure, I have no objection if it is a noncontroversial amendment, because I would like to help the bill proceed. But I want us to move toward the conclusion of the debate on my amendment.

Mr. BRYAN. Responding to the inquiry of my friend, the senior Senator from Indiana, I wish I could represent to the Senator that this was noncontroversial. In this Senator's judgment, it ought to be. But fairness requires me to say, this is an amendment which has been before the Senate on many occasions dealing with the Market Access Program. It is controversial. I was under the impression that we could lay the pending amendment aside and consider it, but if the chairman has a concern about that, it is not my purpose to interrupt the orderly flow of the processing of this appropriations bill.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, Senator LUGAR desires to make further remarks in support of his amendment, and we hope the Chair will recognize him for that purpose. Any other Senators who want to speak on that amendment should do so now, because there is the plan that has previously been announced that Senator STEVENS will move to table the Lugar amendment at 6 o'clock. We will have a vote on that motion to table. But if Senators have completed their remarks on the Lugar amendment, then we could set that amendment aside, if the 6 o'clock hour has not yet arrived, and have other amendments debated. That would be our hope.

The PRESIDING OFFICER (Mr. THOMAS). The Chair recognizes the Senator from Indiana.

Mr. LUGAR. Mr. President, during this debate on the pending amendment, three arguments have been made. I want to respond to them briefly. One came about through Senators suggesting that the President of the United States, who just today proposed sanctions on certain firms in Russia and pertaining to Iranian missile transfers, would not have had the ability to impose those sanctions if the amendment that we are debating had been the law of the land.

Later, the distinguished Senator from Arizona, after a careful reading of the legislation, noted that on page 30 of the amendment—this is the language: ''The President may waive any of the requirements of subsections (a), (b), (c), (d), (e)''—and so forth—in the event that the President determines there exists a national emergency that requires the exercise of the waiver.

I made that point in an earlier presentation, but I simply wanted to reiterate there are emergency situations regarding the national security of this country. The President must have the ability to act. Our legislation expressly gives him that waiver ability.

Then the distinguished Senator from Arizona raised the question as to whether, in fact, that waiver might be too broad. Perhaps. But, you cannot have it both ways. If on one hand you argue that the President of the United States is constricted in terms of what he may do, but then you find out he has full ability to do it, I suppose you could then argue that you do not want to have full ability at that point.

Let me just offer a moment of reassurance. On the same page 30 of the amendment, there is a section setting up a Sanctions Review Committee in the executive branch. It reads:

> There is established within the executive branch of Government an inter-agency committee, which shall be known as the Sanctions Review Committee, which shall have the responsibility of coordinating United States policy regarding unilateral economic sanctions and of providing appropriate recommendations to the President prior to any decision regarding the implementation of a unilateral economic sanction.

Now, that committee is composed of the Secretaries of State, Treasury, Defense, Agriculture, Commerce, Energy, the U.S. Trade Representative, and so forth.

The point being that the President of the United States should be well advised before he decides on a unilateral waiver for even national emergency purposes.

I suspect that this could be perfected further, but during the course of the debate on this legislation I simply note that many Members—and this is understandable—say this is very complex matter and we need more time to walk around it, try to think through the national security implications, the ability of the players to deal with this successfully.

I point out, respectfully, that my original legislation on which this is based was introduced last October. This has been widely discussed in this city for many months. It is supported by 37 Senators explicitly who have thought through all the implications of this and have studied it at some length.

Finally, Mr. President, I respond to the argument that the India and Pakistan incidents are the reason we are discussing this. As I recall, the distinguished Senator from Arizona pointed out we have resolved some of those problems and, therefore, it may be premature to move on to other problems. But, in fact, India and Pakistan had not gone through their nuclear testing regimes last October.

The problem that has to come back to this body is that of the American farmers—the gist of the overall agriculture appropriation bill—need some hope that this body understands the effect of economic sanctions on agriculture. The USA*Engage group, composed of some 675 businesses, including the American Farm Bureau, have strongly encouraged this body to understand the problems faced by American business.

I think the distinguished Senator from Nebraska, Senator HAGEL, stated it well: American business is not a special interest. It is not a nefarious group of people with whom we should have no contact as we talk about national security or economic security. American business and American farmers provide the money that gives us the ability to provide security to this Nation. These are the people who actually are out there working and providing jobs. They are saying to us: You folks with all of your sanctions are creating unemployment for 200,000 Americans. That number of people are losing their jobs because of what is occurring in the sanctions regime.

Of course, we have to be considerate of each and every aspect of making certain that national security is not compromised. It would be a stretch to think of many of these sanctions that have had a substantial national security implication to begin with.

I suspect, finally, there has to be a balancing of interests in our country. Even as we are deeply concerned about democratic procedures in other countries, about religious procedures in other countries, about economic procedures in other countries, we ought to weigh and we ought to have a procedure in which we say we are going to impose a sanction on some country and take the time to state why, and then take time to say, ''What would be considered a success? How would we know we have victory? What are the benchmarks of our success?'' At least once a year, we should think about what the sanction did. Did it make any difference? Did it make a difference in American jobs and income that was totally disproportionate to whatever the impact might have been, in the target country?

Now, that is what my amendment calls for—however you weave the argument around it, the need to state the purpose of what we are doing, the benchmarks of success, to examine periodically whether we have hit the mark even remotely, and, in any event, to estimate the cost of sanctions to Americans. It really is time to think about Americans, people in this country, farmers, producers, even as we are spinning wheels of economic sanctions for whatever economic purpose we might think of.

From the beginning—and I think everyone has heard this clearly—we are talking about sanctions in the future, prospective sanctions. I hope Senators understand that. But that is the case.

Secondly, we are talking about unilateral sanctions which we do ourselves that hurt us, that have no cooperation from others, with every other country grabbing our markets, entering in to eat our lunch. We have prescribed any number of ways in which people in this Congress and the administration have to think about it, and at the same time giving the President, as our Commander in Chief, the ability in terms of our security, to act if he must.

Finally, we have said after 2 years the sanction comes to an end unless the Congress reauthorizes it. That is, take some more time to think about what has occurred, what the implications and the costs for Americans have been.

I am hopeful this amendment will not be tabled. I regret that the distinguished chairman of the Appropriations Committee feels he must do that at 6 o'clock, but I understand the expeditious procedure of this bill, and it is an important bill, has to go on. I hope Senators will vote against tabling the amendment when that time comes, about an hour from now, because I think that a vote against tabling sends a signal of hope to American farmers that we care, and we had better send that signal.

I hope Senators understand that we have a difficult situation in American agriculture, not because of the farm bill but because demand from Asia is down and demand from other countries will be coming down as their income is constricted. We will need all of our

weapons of trade in order to meet that, and the same eventually will occur to other industries.

I stress agriculture today, Mr. President, because that is the first wave. That is where the first implications of economic downturn have come, with raw materials and food. But it will spread unless we are successful in adopting a new trade strategy that must surely include greater thoughtfulness about sanctions.

Therefore, I call for a new regime of thoughtfulness—not a prohibition of sanctions, not a breach of international or national security, but a thoughtful approach, giving full latitude to the Commander in Chief and, hopefully, better latitude to us, to think through what we are doing and to do it more correctly and positively.

I conclude by saying, as I recall, the distinguished Senator from Arizona was asking a hypothetical situation whether as to whether the President could act or not, I think I have answered the question that he could have acted on today's sanction. But let's say that the President acts, or the Congress acts; how do we know in advance that this is going to have any particular effect? The answer is that we don't. As a matter of fact, in most cases, the effect has been dismal, inappropriate, and costly to the United States and to our citizens.

So I say that the President of the United States has the full ability to act, but whether he will act appropriately is another question. And that is why even the President is asked to consult with his Cabinet, and why we are asked to consult with each other—in the hope that if we do adopt a sanction, it will do some good, that it will have some wisdom behind it, some rationale and some procedure that the American people can follow. I submit, Mr. President, that many of the sanctions we have adopted have not had that wisdom, that procedure, and they have not had a very good effect.

It is for this reason that I ask the support of Senators for this amendment and the support, particularly, on the vote to table. I am hopeful that that tabling motion will not be adopted when that moment comes.

Mr. President, I thank all Senators for allowing us to have this full debate. I appreciate that there are many other issues that should come before the body.

I yield the floor.

Mr. HELMS. Mr. President, the premise of the amendment proposed by the distinguished Senator from Indiana is that—as President Clinton recently put it—the United States has gone ''sanctions happy.'' We've all heard the statistics, repeated without question by the media, that the United States has enacted sanctions 61 times in just 4 years, thereby placing 42% of the world's population under the oppressive yoke of U.S. sanctions.

Well, it just ain't so.

I've examined these so-called statistics. And I've found that they are fabricated. The ''61-sanctions'' figure, which came from a study by the National Association of Manufacturers, and circulate widely by an anti-sanctions business coalition calling itself ''USA Engage.''

The NAM claims that, over a 4 year period (1993 through 1996) ''61 U.S. laws and executive actions were enacted authorizing unilateral economic sanctions for foreign policy purposes.'' According to NAM, these sanctions have targeted 35 countries, over 2.3 billion people (42% of the world's population) and $790 billion—19% of the world's total—in export markets.

NAM lists a catalogue of 20 new laws passed by Congress and 41 Executive Branch actions for a total of 61 new sanctions in just 4 years.

The ''61 sanctions'' figure cries out for examination. I asked the Congressional Research Service to analyze the NAM claim. After examining the NAM study, CRS reported to me, ''We could not defensibly subdivide or catagorize the entries in the (NAM) catalogue so that they add up to 61.''

How did NAM come up with this 61-sanctions claim? Here's how:

The National Association of Manufacturers includes as examples of ''unilateral economic sanctions'' every time the U.S. complied with U.N. Security Council sanctions—which are, by definition, multilateral sanctions;

The NAM used double-, triple- and quadruple-counts certain sanctions;

They included as a so-called ''sanction'' any executive branch or Congressional actions denying, limiting or even conditioning U.S. foreign aid. (Since when, I ask, did foreign aid become an entitlement?)

The NAM lists as sanctions instances where no sanctions were actually imposed, cases sanctions were actually lifted, and cases where sanctions were imposed briefly and then lifted.

The NAM piled into their ''sanctions'' list any decision to bar the sale of lethal military equipment to terrorist states, and various actions which affect just a single corporate entity or individuals—not countries.

Mr. President, this is not what most of us have in mind when we think of ''sanctions.'' We think of trade bans and embargoes on states—not seizing the assets of Colombian drug traffickers, blocking imports from a single factory in southern China which is using prison labor, or banning the sale of lethal equipment to states which arm and train terrorists.

The fact is, there is no credible way to argue that the U.S. has imposed 61 sanctions in just four years, or that anywhere near 42% of the world's population has been targeted by U.S. sanctions. In other words, there is no basis for the claim that we in Congress have gone ''sanctions happy'' or for the problem that the amendment offered by the Senator from Indiana proposes to fix.

But don't take my word for it. The staff of the Committee on Foreign Relations has prepared a document which analyzes the NAM study and exposes its failings. I now ask uninanimous consent that this analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

The NAM study charges that Congress enacted 20 new sanctions laws between 1993 and 1996. This is a deliberate falsehood.

In reality, *three-quarters of this total (15) were denials, restrictions or conditions on U.S. foreign aid,* included as part of normal Foreign Operations and Defense Appropriations legislation.

What were these so-called sanctions? One so-called sanction is a prohibition on aid to foreign governments that export lethal military equipment to countries supporting international terrorism. Another barred U.S. assistance for military or police training in Haiti to those involved in drug trafficking and human rights violations. Another placed conditions on assistance for the Palestinian Liberation Organization. Another prohibited Defense Department aid to any country designated as supporting international terrorism.

Another withheld foreign aid and directed U.S. to vote ''no'' on loans in international financial institutions for countries knowingly granting sanctuary to persons indicted by the international war crimes tribunals for the former Yugoslavia and Rwanda, for the purpose of evading prosecution.

Are these the kinds of ''objectionable'' and ''irresponsible'' actions Congress needs to reign in? I think not. Indeed, of the 20 congressional actions listed by NAM, in reality only 5 can really be called ''sanctions laws.'' These are: The Nuclear Proliferation Prevention Act (April 30, 1994); the LIBERTAD (Helms–Burton) Law (March 12, 1996); the Anti-Terrorism & Effective Death Penalty Act (April 24, 1996); the Iran-Libya Sanctions Act (August 5, 1996); and the Burma Sanctions (September 30, 1996—part of FY97 Foreign Operations Appropriations Act).

The fact is, Congress has passed a handful of carefully crafted, highly-targeted sanctions in recent years—most of which passed the Senate by comfortable margins.

EXECUTIVE ACTIONS (41)

And what about NAM's claim of 41 ''Executive Actions'' implementing sanctions in just four years? This list is also deceiving. Consider the following breakdown of the NAM list:

MULTIPLE COUNTING OF THE SAME SANCTIONS: 7

The NAM study double-, triple- and quadruple-counts the same sanctions over and over again on seven different occasions.

Cuba—Same Sanctions Counted 2 Times. (NAM counts the LIBERTAD (Helms–Burton) law as two separate sanctions, once on the date it was enacted by Congress (in Table I) and a second time when the President took measures to implement Title III of the act.)

Sudan—Same Sanctions Counted 5 Times. (NAM counts the imposition of sanctions on Sudan, and then each adjustment to existing sanctions policy as a separate new sanctions episode.)

MULTILATERAL SANCTIONS IMPOSED IN COMPLIANCE WITH U.N. SECURITY COUNCIL RESOLUTIONS: 5

The study counts U.S. compliance with multi-lateral U.N. Security Council sanctions as ''unilateral economic sanctions'' five times:

Federal Republic of Yugoslavia, Jan. 21, 1993 (NAM: ''These restrictions were designed to help implement U.N. Security Council Resolutions 757, 787, 820, and 942.'')

UNITA & Angola, September 26, 1993 (NAM: ''Designed to help implement U.N. Security Council Resolution 864.'')

Libya, December 3, 1993 (NAM: ''President announces tightened economic sanctions against Libya in accordance with U.N. Security Council Resolution 883.'')

Haiti and Angola, April 4, 1994 (NAM: ''The regulations are amended to add Haiti, as a result of the U.N. arms embargo against it, and to reflect the qualified embargo of Angola, also in line with U.N. multilateral sanctions.'' (Sudan?)

Rwanda, May 26, 1994 (NAM: ''Prohibition on sales of arms and related material to Rwanda. Designed to help implement U.N. Security Council Resolution 918)

LIMITED BANS ON TRADE IN LETHAL MILITARY ITEMS: 8

The NAM study lists every single executive order or decision blocking the sale of lethal military items to a rogue states as a broad-based ''sanction'':

Zaire, April 29, 1993 (NAM: ''Ban on the sale of defense items and services to Zaire.'')

Nigeria, June 24, 1993 (NAM: ''Steps taken in reaction to the military blocking a return to civilian government. . . . U.S. announces there will be a presumption of denial on all proposed sales of defense goods and services to Nigeria.''

China, May 26, 1994 (President announces support for MFN for China, but imposes ban on import of certain Chinese munitions and ammunition)

Nigeria, November 1994 (NAM: ''U.S. bans the sale of military goods to Nigeria. In reaction to hanging of nine environmental activists, U.S. adds to sanctions already imposed . . . Besides ban on the military sales, the U.S. also extended a ban on visas for top Nigerian leaders.'')

Nigeria, December 21, 1995 (NAM: ''Suspension of all licences to export commercial defense articles or services to Nigeria.'')

Sudan, March 25, 1996 (NAM: ''Departments of State and Commerce announce new anti-terrorism export controls on Sudan. . . . They are nearly identical to the controls maintained on Iran for anti-terrorism purposes.''

Iran, Syria, Sudan, March 25, 1996 (NAM: ''Departments of State and Commerce impose new export controls on explosive device detectors to Iran, Syria and Sudan.'')

Afghanistan, June 27, 1996 (NAM: ''U.S. announces policy to ban exports or imports of defense articles and services destined for or originating in Afghanistan.'')

CASES WHERE NO SANCTIONS IMPOSED, IMPOSED BRIEFLY THEN LIFTED, OR THREATENED BUT NO ACTION TAKEN: 4

Cuba, Libya, Iran, Iraq, North Korea, Sudan, Syria, December 29, 1993 (NAM: ''This is a restructuring of existing export controls, and did not result in the imposition of new controls, except on Sudan.''

[Note: See multiple-counting of existing Sudan sanctions])

Executive Order, November 14, 1994 (NAM lists as a sanction an Executive Order which, in NAM's own words, ''establishes some policies and bureaucratic responsibilities within the U.S. Government for dealing with the proliferation of weapons of mass destruction. It did not impose any specific new sanctions on any countries.'')

China, February 28, 1996 (NAM: ''Secretary of State asks Ex-Im Bank to postpone any financing for U.S. companies planning to export to China because of reports that China had shipped ring magnets to Pakistan and was otherwise supporting Pakistan's nuclear weapons program. Secretary makes a second request on April 24, 1996. Sanction lifted on May 10, 1996)

Taiwan, August 9, 1994 (Import restrictions imposed based on Taiwan's trade in tiger and rhinoceros products, lifted several months later)

SANCTIONS AFFECTING ONLY INDIVIDUALS OR SPECIFIC CORPORATE ENTITIES: 7

None of us would consider seizing the assets of drug traffickers, or blocking imports from one company using in prison labor as a ''sanction.'' The NAM study does—seven times:

Haiti, June 4, 1993 (NAM: ''limits on entry into U.S. and freezing of personal assets of specially-designated nationals who act for or on behalf of the Haitian military junta or make material contributions to that regime.'')

China, June 16, 1993 (One entity affected: Qinghai Hide & Garment Factory. Reason: Use of slave labor)

China, August 24, 1993 (Two Chinese entities affected. Reason: Nuclear proliferation to Pakistan.)

Middle East, Jan. 23, 1995 (NAM: ''President blocks assets of persons determined to have committed or present a significant risk of committing actions of violence that would disturb the Middle East Peace process, and he blocks transactions by U.S. persons with these foreign persons.'')

Colombia, October 21, 1995 (NAM: ''Executive Branch blocked property subject to jurisdiction of important foreign narcotics traffickers. Original list of four traffickers expanded to 80 entities and individuals on October 24, and more added in November 1995 [4] and March 1996 [198].'')

China, April 29, 1996 (One Chinese entity affected: Tianjin Malleable Iron Factory. Reason: Use of slave labor.)

North Korea, Iran, June 12, 1996 (NAM: ''Sanctions imposed on three entities in Iran and North Korea that have engaged in missile proliferation activities.'')

DENIAL, RESTRICTIONS OR CONDITIONS ON U.S. FOREIGN AID: 6

And, once again, NAM lists every restriction on foreign aid as a sanction, asserting in effect that foreign aid is an entitlement:

Guatemala, May 27, 1993 (NAM: ''Suspension of U.S. aid programs to Guatemala, except for humanitarian assistance, and U.S. opposition in . . . international financial institutions for loans to Guatemala . . . [in] opposition to a military coup.''

Nigeria, April 1, 1994 (NAM: ''President decertifies Nigeria for its inadequate anti-narcotics efforts,'' making it ineligible for most U.S. foreign aid and most programs from Ex-Im Bank or OPIC.)

Gambia, August-October 1994 (NAM: ''Cut off of all U.S. economic and military aid because of a military coup in July against the duly elected head of state . . . pending the return of democratic rule to Gambia.'')

Afghanistan, February 28, 1995 (President decertifies Afghanistan for inadequate counter-narcotics efforts. Ineligible for most U.S. foreign aid, Ex-Im Bank or OPIC support, direct U.S. to vote ''no'' in international financial institutions)

Colombia, March 1, 1996 (NAM: ''President Clinton decertifies Colombia for its inadequate anti-drug efforts,'' making it ineligible for most foreign aid, Ex-Im Bank or OPIC support, and subject to U.S. opposition for loans in international financial institutions.)

DECLINE TO ISSUE A LETTER OF INTEREST: 1

NAM even lists a decision by the Ex-Im Bank not to issues a ''letter of interest'' in one case as a ''sanction.''

China, May 30, 1996 (NAM: ''Ex-Im Bank board of directors declined, because of environmental concerns, to issue letters of interest to three U.S. exporters.'')

Mr. HELMS. Mr. President, as the review of the NAM study makes clear, most of these actions were taken at the President's discretion, either by Executive Order or based a law where President had broad waiver authority.

If the Senate is going to have a debate over sanctions policy, we should do so on the basis of facts, not distortions presented by the anti-sanctions lobby. That is the reason that the Republican and Democratic leaderships have formed a bipartisan sanctions task force to examine the facts, and make recommendations.

Apparently, some in the business community would prefer for the Senate to act before the facts come out. We should not fall for such tactics.

Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, if there are no other Senators wishing to speak on the Lugar amendment at this time, and I see none on the floor, I think we should proceed to set aside the Lugar amendment and turn to an amendment to be offered by the Senator from Nevada, Senator BRYAN. It is my hope that we can complete debate on the amendment of the Senator from Nevada before the hour of 6 o'clock, and at 6 there would be a motion to table the Lugar amendment and a vote thereon. Then I will move to table the Bryan amendment and we will have a vote on that. That is the plan of action.

With that, and if there is no objection, I ask unanimous consent that the LUGAR amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I preface my comments by thanking the Senator from Mississippi. I think the arrangement he suggests is workable, and we will work within those time constraints.

Once again, I will offer an amendment to eliminate funding for one of the most egregious examples of corporate welfare in America—the Market Access Program. This program continues to waste millions of dollars subsidizing advertising and other promotions in foreign countries.

AMENDMENT NO. 3157

(Purpose: To eliminate funding for the market access program for fiscal year 1999)

Mr. BRYAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. BRYAN] for himself, Mr. REID, Mr. GREGG, Mr. FEINGOLD, and Mr. KERRY, proposes an amendment numbered 3157.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 60, strike lines 4 through 11 and insert the following:

SEC. 717. None of the funds made available by this Act may be used to provide assistance under, or to pay the salaries of personnel who carry out, a market promotion or market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

Mr. BRYAN. Mr. President, I want to make some general observations. This is an area that I have had an interest in for a number of years. We have debated it many times on the floor, and I say to my friends from the agricultural heartland of America that I am not unmindful that in some of the agricultural regions of our country, there is real economic crisis out there, particularly in the plains States.

I am not unsympathetic to the concerns of farmers. Indeed, I intend to be supportive of many of the amendments that will be offered to provide assistance to farmers who face real economic crises for a variety of reasons, many of which I suggest have probably been debated on the floor during the course of this appropriations bill.

Having said that, I want to talk about a program that, in my judgment, provides no real help to America's farmers or agricultural producers and, instead, continues to subsidize some of the largest corporations in America in terms of their advertising dollars. I believe this is a wholly inappropriate use of taxpayer dollars. As I will point out during the course of this discussion, the analysis of the Market Access Program by the General Accounting Office, just released, is a definitive analysis of the efficacy of this program.

Notwithstanding those who have advocated on its behalf and those who continue to defend it, the GAO report reveals that in spite of repeated attempts to make this program accountable, no credible evidence could be found to support the claims that the Market Access Program benefits the economy. That is why a broad range of organizations have been joined in opposition. These are groups that cover the political spectrum, from right to left. Among them are: Americans for Tax Reform, Capital Watch, the Cato Institute, Citizens Against Government Waste, Citizens for a Sound Economy, the Competitive Enterprise Institute, Friends of the Earth, the National Taxpayers Union, Taxpayers for Common Sense, and the U.S. Public Interest Research Group. All of these organizations have called for the elimination of this program. Many of these organizations have joined together in a ''stop corporate welfare'' effort that named the Market Access Program among a select group of the most blatant of Federal handouts.

The Green Scissors report, which recommends cutting programs that hurt both taxpayers and the environment, has also cited the Market Access Program as a waste of money.

Mr. President, I ask unanimous consent that this list I have be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF COMPANIES IN BRANDED BUDGETED DOLLAR ORDER FOR 1997

Participant		Budget 1997
E. & J. Gallo	WI	$597,874.00
Tyson Foods	USAPEEC	440,000.00
Mederer Corporation	CMA	297,000.00
M&M/Mars, A Division Of Mars, Inc.	CMA	280,547.00
Sun Maid	CRAB	163,938.00
Brown-Forman Corp.	XDA	161,680.00
NAF International	MIATCO	125,000.00
Precise Pet Products	SUSTA	110,000.00
Ralston Purina International	MIATCO	108,547.00
Quality Products Intl., Inc.	USAPEEC	105,710.00
Canadaigua Wine Company	BEA	89,620.00
The Seagrams Classic Wine Company	WI	81,000.00
Shoei Food (USA) Inc.	WUSATA	70,000.00
Russell Stover Candies	CMA	60,000.00
Mauna Loa Macadamia Nut Corp.	WUSATA	56,000.00
Schwan's Food Asia Pte. Ltd.	MIATCO	52,100.00
Specialty Brands	WUSATA	52,000.00
A. Smith Bowman Distillery, Inc.	SUSTA	50,000.00
Franklin Mushroom Farms, Inc.	EUSAFEC	50,000.00
Lyons Magnus	WUSATA	50,000.00
Twin County Grocers	EUSAFEC	50,000.00
Seald-Sweet Growers	SUSTA	48,000.00
Golden Valley Microwave Foods	MIATCO	46,000.00
Lion Packing Company	CRAB	46,062.00
Fruits International, Inc.	SUSTA	45,500.00
The Iams Company	MIATCO	44,800.00
Great Western Malting Co.	WUSATA	41,000.00
Frontier Foods, International	USMEF	39,500.00
Blue Bell Creameries, L.P.	SUSTA	39,000.00
Bush Brothers & Company	SUSTA	39,000.00
Tootsie Roll Industries, Inc.	CMA	38,000.00
Heublein, Inc.	WI	36,000.00
Austin NIchols & Co., Inc.	KDA	35,786.00
Protein Technologies International	MIATCO	35,500.00
Jones Dairy Farm	USMEF	35,000.00
Macfarms of Hawaii	WUSATA	35,000.00
Certified Angus Beef	USMEF	32,500.00
H.J. Heins Company Ltd.	EUSAFEC	32,500.00
Beechnut (Ralston Foods)	MIATCO	30,900.00
European Vegetable Specialties Farms, Inc.	WUSATA	30,000.00
Fetzer Vineyards	WI	30,000.00
CPC International/Best Foods Exports	EUSAFEC	29,250.00
Rockingham Poulty	USAPEEC	27,500.00
Wm. Bolthouse Farms, Inc.	WUSATA	27,000.00
Gourmet House	MIATCO	26,642.00
Pierce Foods	USAPEEC	25,,000.00
Prime Tanning Co., Inc.	EUSAFEC	25,000.00
The J.M. Smucker Company	MIATCO	24,750.00
Maker's Mark Distillery, Inc.	KDA	22,410.00
Star Fine Foods, Inc.	WUSATA	22,000.00
General Mills, Inc.	MIATCO	21,200.00
Vie De France Corp.	SUSTA	21,000.00
H.E. Butt Grocery Company	SUSTA	19,290.00
Grimmway Enterprises, Inc.	WUSATA	19,000.00
Kroger Co.	MIATCO	17,600.00
Well's Dairy, Inc.	MIATCO	17,500.00
Schreiber Foods, Inc.	MIATCO	15,600.00
Barbara's Bakery, Inc.	WUSATA	15,000.00
Del Rey Packing Company	CRAB	15,000.00
Giumarra Vineyards	WI	15,000.00
Southern Pride Catfish	SUSTA	13,000.00
Robert Mondavi Winery	WI	12,000.00
Sara Lee Bakery	MIATCO	10,500.00
Acclerated Genetics	GENETIC	10,300.00
Chinchiolo Fruit Company	WUSATA	10,000.00
DiMare Company	WUSATA	10,000.00
Domaine Chandon	WI	10,000.00
Hudson Foods, Inc.	USAPEEC	10,000.00
Jacklin Seed Company	WUSATA	10,000.00
Simi Winery	WI	10,000.00
Stimson Lane Vineyards	WI	10,000.00
Vogel Popcorn	MIATCO	10,000.00
Wine Alliance	WI	10,000.00
Continental Mills, Inc.	WUSATA	9,000.00
Island Coffee Company	WUSATA	9,000.00
Supervalu International	WUSATA	9,000.00
Sunday House Foods, Inc.	USAPEEC	7,500.00
Avonmore Ingredients	MIATCO	6,600.00
Red River Commodities, Inc.	MIATCO	6,400.00
Mission Foods	SUSTA	6,000,00
Bil Mar Foods	USAPEEC	5,850.00
EBS, Inc	GENETIC	5,000.00
Maui Pineapple Company, Ltd.	WUSATA	5,000.00
Stahlbush Island Farms	WUSATA	5,000.00
Total		4,427,555.00

Mr. BRYAN. Mr. President, it is just not outside groups that are calling for the elimination of this program. The Market Access Program was specifically targeted for elimination in the fiscal year 1999 Republican budget resolution. This provision was included in the legislation passed on the Senate floor by a vote of 57–41 on April 2 of this year.

Unfortunately, however, like Lazarus, this program seems to rise from the dead every year and is currently authorized to receive some $90 million in fiscal year 1999.

The Foreign Agricultural Service, FAS, is a branch of the U.S. Department of Agriculture, and it distributes this $90 million that has previously been authorized in three different categories. One is a direct contribution to private companies. Two is a contribution that is made to industry associations which, in turn, makes grants to members within that association. And the third category is cooperatives. These moneys are frequently used for the promotion of brand-name products, specifically identified household names in America, as well as generic commodities overseas.

So we have private companies that receive money directly from the funding source—industry associations and cooperatives.

In spite of numerous reforms that we have debated and enacted in recent years in efforts to limit the aid provided to giant corporations, millions of dollars continue to flow to large, well-established producers, agribusinesses to subsidize their advertising budget.

Let me again make the point.

As part of the ongoing debate that we have had annually on this program, we have been able to persuade the Congress that with respect to the direct contributions made to private companies that are providing some of the largest organizations and companies in the world with money to supplement their advertising accounts, it simply cannot be defended and is an outrageous use of taxpayer dollars. So we created a small business category that is eligible to receive the private company distributions. That is currently part of the law.

But that only tells part of the story, because as you will see, the top recipients of the Market Access Program—this is the specific brand of the product that you can see here—continue to be some of the largest companies in America: Sunkist Growers, $2,594,000; Blue Diamond Nuts, $4,419,000; Welch's Foods, $707,000; Sunsweet, $616,000; Ernest & Julio Gallo, $598,000; Tyson Foods, $440,000; and Ocean Spray, $320,000.

The way that they have been able to effectively circumvent the limitation that this money should be made available only to small businesses is that industry associations and cooperatives that receive the money directly from the Foreign Agricultural Service can in turn make grants to members of the association or to the cooperative members themselves. So that is how we continue to see these substantial amounts of money that continue to flow into these large companies.

Proponents of the program will justify this corporate giveaway by pointing to various studies that exalt the benefits reaped by these advertising campaigns, but none of the studies cited, nor the benefits that are assigned to this program, can be authenticated.

Mr. President, in the course of the debate on this floor over the years, we have seen near magical benefits attributed to this program—claims that each dollar of spending through the Market Access Program yields about $16 in new agricultural exports in addition to thousands and thousands of jobs. Those have been the arguments essentially that have been used to oppose the elimination of this program.

First of all, if this analysis were correct, perhaps what we ought to do is put more money into this program and in effect have our Head Start youngsters participate in this program in order to achieve these dramatic ''multiplier affects'' that the advocates and defenders of this program have asserted for it.

I want to make a further point: The figure that is used for these multiplier numbers is data taken from a 1995 inagency study of the Market Access Program that has drawn much criticism from GAO.

The GAO found that the analysis on which this and other fanciful claims are based is flawed and does not follow standard cost-benefit guidelines—guidelines that are recommended by the Office of Management and Budget.

The GAO's September report—this is the report that was released in September of this last year—has found that the data that has been used and the methodology does not support the conclusions that advocates of this program attribute to this Market Access Program.

This report, which was completed at the request of the Budget Committee in the House and its chairman, could not authenticate any of these claims that have been made. Here is just a brief summary of what the GAO concluded.

First, the GAO said there is no credible evidence that the Market Access Program has expanded employment and output, or reduced the trade and budget deficits.

Second, it goes on to say that increases in farm employment and income cannot be attributed to Market Access Program spending.

Finally, that the Market Access Program is not an effective counterweight for the export programs of other nations.

That is another argument that I am sure that we will hear—that other countries are helping to subsidize their agricultural industry in providing a number of export subsidies to assist those.

But, as the GAO has reported, this program has not been an effective counterweight to the export programs designed by other countries.

I must say that this hardly is a ringing endorsement for continued expenditures for this program. That is, putting aside the philosophical objections for a moment, there is really no evidence that the money that we are spending—$90 million—accomplishes a thing.

Let me suggest that the Market Access Program has another questionable aspect to it; that is, what is the justification for continuing to subsidize promotional efforts for well-known brand-name products that do not receive Federal assistance? These companies that I have cited, Sunkist, Blue Diamond Nuts, Welch's Foods, Tyson Foods, and Ocean Spray, are fine companies, are highly successful companies and are huge companies in terms of their size. What justification is there to use taxpayer dollars to support in effect augmenting or increasing the kinds of advertising dollars that these companies clearly have the ability on their own to do? They know how to make a judgment as to how their advertising budgets should be spent. That is a private sector determination. The Government has no business, in my judgment, taking hard-earned taxpayer dollars and saying to each of these companies we are going to give you an additional $2.5 million or $1.5 million to add to your budget. I have an objection to that philosophically.

Moreover, when the GAO concluded that these dollars that we have spent over the years really have not accomplished anything, I think it is just totally indefensible.

It is true, Mr. President, as I indicated earlier, that some positive changes have been implemented in the program in an effort to focus more effort on small business and new-to-export producers. However, one-third of all MAP promotions are still brand names. They are product-specific promotions identifying a particular company, and not a generic product that is being exported abroad.

I think when you look at how the money is actually spent, notwithstanding the well-intentioned efforts to focus this program on smaller companies, that we have really failed in that objective.

The top 10 brand-name promotion grants awarded by USDA, the United States Department of Agriculture, in fiscal year 1997 includes some of the well-known products that most Americans probably recognize from U.S.-based advertising.

These are the companies.

My feeling is that I think it is very hard—I think it is impossible—to justify spending taxpayer dollars. Sunkist, for example, a company that employs between 500 and 900 people, and posted sales of over $1 billion, received $5 million in Federal advertising assistance in 1996 and 1997.

What in heaven's world are the taxpayers doing subsidizing the advertising budget of a company with sales exceeding $1 billion annually? You simply can't justify that.

Welch's Foods, another fine product, with over 1,000 employees, rang up more than $550 million in sales, yet was awarded over $1.5 million over the past 2 years as part of this program.

These examples illustrate what I have been saying for a number of years—that this program is a waste of money and public funds should not be used to underwrite private corporate activity.

Proponents of this program will point out accurately that in the last few years, the largest number of awards have gone to small businesses and cooperatives. Much of this is due to the changes to the program that were passed—with the support of the ranking member of the Agricultural Appropriations Committee on the Senate floor—that gave preference to small and nonprofit applicants.

However, it is important to note that the other types of MAP recipients, the cooperatives and the industry associations, as we pointed out, do not limit the contributions that they make to their members based upon size. That is how we have these rather large companies receiving a staggering amount of public assistance. That is why you will not see these names on MAP's award list. Large companies still receive funds through their associations. In fiscal year 1997, the Chocolate Manufacturers Association, the Kentucky Distillers' Association and the Mid-America International Agri-Trade Council passed through funds to M&M/Mars, Maker's Mark Distillery, and General Mills, Inc., respectively, to conduct name brand promotions overseas.

Finally, let me note in this context that we take a look at the names of the top 10 awards for brand name promotions—the top 10 for brand name promotions. It is interesting to note that small businesses received only $825,000 of the $7,816,000 that went to these 10 applicants. In contrast, the top two name brand recipients, Sunkist and Blue Diamond, received more than $4 million, more than half of that $7.8 million total.

We have attempted to tighten the program, with limited funding, to change the definition of preferred participants, but the same large and well-known recipients show up on the MAP award list year after year.

Many of the problems we discussed 5 and 6 years ago continue to go unresolved, and this recent report by the GAO still cannot verify the claims made by the USDA to justify MAP.

The distribution, Mr. President, of millions of dollars of public funds to private businesses for self-promotion does not win any commonsense awards, but continued spending on such a program without confirmation of the program's competitiveness is an unforgivable abuse of public funds.

Before I close my comments, I want to put this program in some perspective, because I expect many of my colleagues will come to the floor to defend this program that takes $90 million of taxpayer dollars and uses it for foreign advertising.

Mr. President, the MAP cannot offset foreign competitors' export subsidies, because it does not make U.S. products more affordable. It is an advertising subsidy, not an export subsidy. We need to ensure that our agricultural programs provide real and measurable

benefits to U.S. farmers and consumers, especially as farmers are facing falling prices, and MAP's benefits do not in any way meet this test.

Perhaps a little history on this program is in order to give some perspective:

The Targeted Export Assistance (TEA) program was authorized as part of the 1985 Food Security Act to reverse the decline in U.S. agricultural exports and specifically to counter the unfair trade practices of foreign competitors.

Unlike products promoted under MAP, only commodities adversely affected by unfair foreign trade practices were eligible for funding under TEA. This restriction continued until 1994, but was eliminated as part of the implementing legislation for the Uruguay Round trade agreements. So, while a link between USDA export promotion aid and foreign trade practices once existed, it is no longer a requirement for MAP participants.

Even when the program was still targeted at unfair trade practices, it was prone to wasteful spending on behalf of huge corporations such as McDonalds, Campbell Soup and a host of others. After a critical audit by GAO, the program's name was changed to the Market Promotion Program as part of the 1990 farm bill.

Then, after two more reports critical of the program, its name was again changed in 1996, this time to the Market Access Program. At that time, Congress was under extreme pressure to end the corporate handout, and some positive and significant changes to the program's management were proposed and adopted:

USDA was directed to stop awarding funds to foreign companies; Participation was restricted to small businesses, cooperatives, and trade associations; and companies were required to certify that funds were not merely substituting for private marketing funds that were already being spent.

I wish that I could say that these changes have ensured that the program provides a fair return to the American people. Unfortunately, even with these restrictions written into law, millions continue to flow to large corporations through associations and cooperatives with no real assurance that the funds are not used to replace private advertising dollars.

These criticisms were restated by the GAO in the report released last fall following yet another GAO investigation, requested by Representative JOHN KASICH, into the effectiveness of the Market Access Program and the claims made about its success.

In this key report, the GAO discredits the analysis used by the USDA in reports that claimed that MAP has a significant impact on the economy, the agricultural sector, and U.S. trade efforts. The GAO audit found fault with each of these conclusions because each was based on the agency's use of flawed methodology and incomplete evaluations of the program's costs and benefits.

The GAO leveled additional changes at the program's management, pointing out enduring problems that Congress has tried to fix in the past. For example, in spite of the requirement that companies use MAP funds to supplement, not supplant, their own advertising spending, GAO found no way to confirm that MAP funds were indeed being used for unique expenditures. The 1993 reconciliation bill required applicants to verify that MAP funds would not replace their own advertising dollars, but this requirement is largely unconfirmed by USDA officials and verification is left up to MAP applicants.

It is also difficult to establish that MAP's stated goal of introducing firms to new markets is being met. Major questions remain unanswered, such as: when have companies or associations had ''enough'' assistance? Some firms will have been participating in the program for 13 years before the 5-year ''graduation'' requirements (instituted in 1994) will begin to take effect. The USDA currently does not have a standard method for deciding when their own program goals are reached, so business interests or associations can stay in the program without regard to their NEED for funds to open new markets.

At the center of the GAO's criticisms of MAP's effectiveness is the faulty economic analysis used by USDA to make its case for the program. GAO reported that USDA's flawed evaluations made it extremely difficult to analyze MAP's contributions to the economy, because the program analysis for MAP does not conform with the Office of Management and Budget's (OMB) agency guidelines for cost-benefit analysis. These guidelines are used by agencies to construct a uniform standard for evaluating programs' performance as required under the Government Performance and Results Act (GPRA). Without using a standard method of evaluating various government programs, it would be nearly impossible to judge any program's effectiveness.

OMB instructs agencies, when analyzing the impact of any program, to assume that resources are ''fully employed'' [''Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs,'' OMB Circular No. A–94, sec 6b(3) (Oct. 29, 1992)]. These guidelines are in place to ensure that, in keeping with the implementation of the Government Performance and Results Act, each agency follows a uniform framework when evaluating costs and benefits of its programs. This framework includes the assumption of fully employed resources.

However, in its 1995 analysis of the Market Access Program, USDA did not adhere to the OMB cost-benefit guidelines and assumed that program resources would otherwise be unemployed. Clearly, it is not accurate, in today's economy, to assume that the funds designated for MAP, or any program, would have no benefit, no alternate use, if otherwise deployed in the economy.

Put another way, USDA took the untenable postion that the resources that went into MAP could not yield benefits to the economy through other uses, such as tax breaks for American families, investment in education, or paying down the debt.

USDA also assumes that MAP-promoted agricultural products would not be exported at all in the absence of this program, which implies that the private sector would not pursue these export opportunities without MAP assistance. This premise holds that on the one hand, these markets would be unprofitable without help from the federal government, but on the other hand, these same markets bring in high returns on promotion expenditures. If the returns on investment are indeed as great as the agency holds, why would the private sector not undertake its own promotional activities?

For a recipient like Sunkist, whose homepage on the Internet boasts that ''Sunkist is the 43rd most recognized name brand in the United States and the 47th most recognized in the world,'' it becomes clear that this program is wasting scarce federal dollars subsidizing an already highly-successful company's advertising budget.

Finally, in its 1995 report USDA also assumes that all of the workers and farmers whose labor and output is associated with MAP-promoted exports would be completely unemployed were it not for the MAP program. Under this premise, USDA calculates these workers' employment and income as benefits generated by MAP, crediting the program with economic expansion and increased tax revenues.

Mr. President, any federal program evaluated under this same set of assumptions would appear to generate income. This type of accounting is not permitted for other programs, and should not be permitted to stand here. The result is that USDA's analysis of MAP includes exaggerated estimates of the program's worth that are misleading but are nonetheless often quoted by proponents of the program.

Let me give you some examples of the overblown gains attributed to MAP as a result of the department's faulty analysis. According to information included in the USDA's 1999 Performance Plan and the Foreign Agriculture Service's five-year strategic plan, the $90 million annual allocation for MAP, through a multiplier effect, results in $5 billion in agricultural exports, expands the national economy by $12 billion, and creates 86,500 jobs. And that is jsut the 1997 impact.

It sounds too good to be true, and it is.

These incredible returns are the result of USDA's ''free lunch'' analysis—

an irrational conclusion that MAP benefits the economy, based on faulty assumptions that federal and private resources have no alternate use or impact on the economy.

Another major claim made in support of MAP is that these funds are needed to counteract the export assistance of our foreign competitors. The GAO report finds this claim, like the others, unreliable because of the lack of verifiable information about foreign competitors' export assistance activities.

We often hear about the large amounts of money that foreign competitors pump into export subsidies, and how important it is to make U.S. crops competitive in foreign markets or risk being locked out of these markets altogether. This argument is irrelevant to any discussion about MAP, however, because unlike USDA's export subsidy programs which lower the prices of U.S. crops abroad, the Market Access Program is not an export subsidy, it is a promotion subsidy, and does not lower prices of U.S. goods in foreign markets.

Furthermore, while it is true that MAP's focus at its creation was countering unfair trading practices employed by our competitors in overseas markets, this is no longer the case. As I mentioned earlier, MAP's focus on matching competitors' moves was removed when the implementing legislation for the Uruguay Round agreements was approved in 1994, allowing MAP funds to be used for general export promotion purposes as the Foreign Agricultural Service sees fit. This change, combined with a lack of first-hand knowledge about foreign export activities, led the GAO to conclude that claims about MAP's effectiveness in countering other nations' export assistance cannot be verified.

Another question that has been raised about this program is whether its export promotion subsidies are undertaken by other programs at USDA. The Congressional Research Service, in a February 1997 report, raises this question in relation to the Foreign Market Development Program (FMD), which has been around since 1954. The FMD program is much like the MAP except that it is focused on developing foreign markets for U.S. commodities, as opposed to name-brand and processed exports. Therefore, its jointly-funded activities are aimed more at technical assistance and market research rather than advertising and other consumer-oriented promotions. However, unlike MAP, funding levels for FMD have remained under $50 million annually, and activities have not grown to include brand-name promotions.

While these two programs take a similar approach to different markets, there has been very little analysis of which type of promotion is more effective. It would be helpful to be able to compare MAP's track record with the results attributed to FMD, but this information has not been compiled by the USDA. Nor has there been a study to simply evaluate whether generic or branded promotions are more successful in promoting exports, and where these efforts are most successful.

Mr. President, there is just not enough evidence out there which backs up the claims we have all heard about the Market Access Program. I can think of no other federal program that we allow to receive funds without a rigorous examination of the costs and benefits associated with the government's investment. We demand this kind of analysis even for D&D programs which often have uncertain future outcomes and benefits that are difficult to forecast.

We must ask ourselves, if a policy of underwriting the advertising expenses of large producers and corporate interests makes sense when we are cutting back on funding for domestic food security and important research initiatives. We cannot justify spending one more dime on this unproven program, and this view is shared by a long list of government watchdog and consumers groups representing a broad range of beliefs: Americans for Tax Reform, Capitol Watch, the CATO Institute, Citizens Against Government Waste, Citizens for a Sound Economy, Competitive Enterprise Institute, Friends of the Earth, National Taxpayers Union, Taxpayers for Common Sense, and the U.S. Public Interest Research Group.

I urge all of you to take a long, hard look at this program's track record and vote to end the waste of taxpayer dollars on foreign advertising and promotion.

Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I think it is very clear from the unanimous vote we had on the resolution with which we started the debate on this legislation that all Senators agree our agriculture sector is under tremendous pressure and the Congress and the President ought to take immediate action to respond to these needs in the agriculture sector because of low prices in some areas, because of adverse weather conditions in other areas, because of a decline in demand resulting from the Asian economic crisis. Some of our strongest customers and markets are in that area of the world.

So I think we have all gone on record as agreeing we need to use our best efforts, we need to mobilize our agencies of Government to take on the responsibility of helping to develop access to new markets, to try to help expand old markets so that we can sell what we are producing and create a better prospect for profit in agriculture in the production sector.

So I don't think we have seen a situation in the last several years when there was any more reason to have a Market Access Program and to invest in an effort to expand these markets and make them more accessible to U.S. agriculture exports.

The purpose of the Market Access Program, which we began in 1985, was to help expand foreign markets. Since then, agriculture exports have doubled. Last year, agriculture exports amounted to $57.3 billion, which resulted in a $21.5 billion agriculture trade surplus, providing jobs for approximately 1 million Americans.

When we had our hearings in our agriculture appropriations subcommittee this year, we had representatives from the administration before our committee talking about the Foreign Agricultural Service programs. I am going to read the Senate something from the statement of one of those officials.

He said:

> The outlook for U.S. agricultural exports is heavily influenced by competitive pressures that differ by commodity and can affect price and/or quantity of sales. One of the primary sources of this pressure is the rising value of the U.S. dollar, especially against the currencies of our major competitors. This has the effect of making U.S. exports more expensive to our customers relative to those of our competitors.

Then there is a discussion in another part of this witness' statement about what some of the competitors are doing to try to enlarge their share of the world market for their products:

> We continue to face stiff competition in markets around the globe. Our annual review of the export promotion activities of the two countries that account for our major competition found that, just like the United States, many of our competitors have ambitious export goals. The EU and other countries assist their producers and small businesses to develop foreign markets through activities similar to our Market Access Program and Foreign Market Development Program.

He goes on to say that in the EU countries, it is estimated that $400 million in 1995 and 1996 would be spent for market promotion:

> In Australia, Canada and New Zealand, those governments have strong governmental promotion agencies and rely heavily on their statutory marketing boards to carry out market development activities for producers of specific agricultural products.

With this information and with the understanding of the success of many of these countries that are competing with us for market access and market goals, it would be the height of folly, in my judgment, to abandon one of the most successful programs that we have had to assist our agriculture producers in finding new markets and expanding those markets. We have had almost every year since I have been managing this agriculture appropriations bill an effort to either reduce the amount of money we were spending on market access promotion or to eliminate the program entirely.

In the writing of the 1996 farm bill to try to deal with some of the criticism that had been directed toward this program, it was reformed and changed so that this year for the first time only small businesses and farm cooperatives will be eligible to have the benefits of

this Market Access Program. There had been criticism that only the big, wealthy companies were benefiting, only brand names were being advertised. It was a way for big companies to avoid having to pay their own advertising costs.

Let me explain that. Because of the reforms that have been made and the experiences that many have had in the program, the evidence is very compelling that this program has been working by attracting attention to the fact that American-made products do have high quality. Not only the raw agriculture commodities that are sold, but those that are processed and manufactured—some of those qualify and are eligible for participation in this program. Let me just give one example.

The U.S. cotton industry, through the Cotton Council International organization, working under the Department of Agriculture's oversight, retains control over the expenditure of funds that are made available for the cotton industry. These Market Access Program funds are applied only to Cotton Council International advertisements that are produced to communicate the benefits of U.S.-grown cotton and establish consumer preference for products that bear the name ''Cotton USA.'' This is a trademark. It is registered. It represents all of U.S. cotton and manufactured cotton products in export promotion. These funds are used to advertise ''Cotton USA,'' and it associates that brand name with qualified manufacturers. The funds are not used to subsidize the advertising of private companies but, rather, all U.S.-grown cotton.

Let me tell you what the results are. In 1997 alone, the Market Access Program helped combat unfair trading practices of other countries. It helped U.S. cotton producers get more income from the market as farm program payments declined. It helped generate $2.5 billion in cotton fiber exports and $5 billion in manufactured cotton product exports. It helped expand jobs, with over 150,000 workers depending directly on cotton and cotton product exports. That is one example of an agriculture commodity that is very important in my State of Mississippi and throughout our country. It is one of our major agriculture exports from our State.

There are many others. The cooperatives that are involved in produce, the fruit and vegetable business in California and elsewhere, have indicated how important this program is to them. As a matter of fact, there is an entire list of organizations which have banded together and described themselves as the Coalition to Promote U.S. Agricultural Exports. They wrote me a letter dated June 22, 1998. The coalition membership list is attached to this letter. It runs the gamut across the country of various kinds of agricultural organizations and producer groups. But I wanted to just read a couple of things from this letter, and then I will have the entire letter, and the list, printed in the RECORD:

> Reducing or eliminating [Market Access Program] funding in the face of continued subsidized foreign competition, and with another round of trade negotiations set to begin in 1999, would be nothing less than unilateral disarmament. Such action would also violate the commitments made when Congress approved the 1996 farm bill and [it would] jeopardize its continued success.

The letter also points out that this amendment to reduce funding that the Senator from Nevada is offering again this year was defeated last year—the effort to eliminate the funding—by a vote here in the Senate of 59 to 40. I think the Senate has come to realize this is an important program, it deserves the support of the Senate, and it has been reformed and revised so that the eligibility standards, the U.S. Department of Agriculture oversight, all make sure that the funds are spent wisely and that we get our money's worth as a result of this investment.

Mr. President, there are also other specific groups that have benefited from the Market Access Program. It has come to my attention, for example, that the catfish industry—which is still a new industry that has been growing enormously in our country—is dependent upon the exports that we have come to appreciate. And in the European market, one example is Germany. Since 1991, catfish exports to Germany have increased from 18 metric tons a year to 237,437 metric tons in 1996.

The Washington apple industry credits the Market Agriculture Promotion Program with fostering its dramatic apple export expansion to Indonesia. Here is a country that has had substantial economic problems recently, but back in 1990 they had less than $800,000 worth of apples being sold into that market. But each year since then, in spite of economic conditions there, sales have expanded, culminating in recent exports totaling $34 million.

Another example is the U.S. Meat Export Federation. It offers a Branded Product Promotion Program to help private companies, small businesses and cooperatives, promote their own labels in foreign countries. This Branded Product Promotion Program has been instrumental in helping a small Ohio company called Certified Angus Beef introduce new-to-market meat cuts overseas. The sales have risen from 6.2 million pounds in 1990 to 37.3 million pounds in 1996. The association members throughout the country have benefited from these export sales. The association has received $53,000 in funding from MAP over a 6-year period.

This is another specific example where we have targeted the MAP funds to small businesses, to associations, to cooperatives, and, for the first time in 1998, according to Secretary Glickman when he testified before our committee, this will be the first year when all of the funds will go to such entities.

I think it is very clear from the evidence we have accumulated and the testimony we have had, and our hearings, that for U.S. agriculture to remain competitive, we are going to have to continue the policies and programs that have been effective, and we are going to have to deal with the reality of competition from others. The amendment proposed by the distinguished Senator from Nevada would make us take a step backwards. It would make us give up one of the most effective tools we have to help American agriculture continue to prosper.

The promotion activities of the Department of Agriculture have established a foundation for future market growth and expansion. But it is more important now, with the world situation as it is and hardships in American agriculture that have been identified over the last day and a half in discussions here on the floor, that the Department continue to work as hard as it can to use its resources to be a partner with the farmers and the exporters of America to meet our expansion objectives for American agriculture. Our exports are essential, not only to agriculture, but to the Nation's economic well-being as well.

Jobs are created in the producing and packaging industries, in transportation—a wide range of economic activities are affected by agriculture. It is one of the strongest economic sectors we have. To keep it that way, we are going to have to take care of it. We can't just let it shrivel. We can't let it be the victim of international conditions as exist in Asia today. We have to do our part. The Senate has to do its part, too. American agriculture needs us, needs the programs like the Market Access Program, in order to compete in this new global environment.

I can't stress any more than I have tried to the importance of our rejecting this amendment. I urge all Senators to oppose the amendment.

Mr. President, I ask unanimous consent that the letter I referred to from the Coalition to Promote U.S. Agriculture Exports and list of members be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COALITION TO PROMOTE
U.S. AGRICULTURAL EXPORTS,
Washington, DC, June 22, 1998.

Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to urge your continued strong support for USDA's Market Access Program (MAP) when the Senate considers the FY 1999 Agriculture Appropriations bill (S. 2159). Such support is essential to help encourage U.S. agriculture exports, counter subsidized foreign competition, strengthen farm income and protect American jobs. Last year with your leadership, the Senate rejected efforts to eliminate funding for MAP by a vote of 59 to 40.

Both farm income and the economic well-being of agriculture are heavily dependent on exports, which account for as much as one-third or more of domestic production. This is especially true since passage of the 1996 farm bill (FAIR Act), which gradually reduces farm programs over a 7 year transition period, while providing producers with

greater planting flexibility to respond to the global marketplace.

Much of the support for the 1996 farm bill was based on assurances that programs encouraging U.S. agriculture exports would remain a key component of U.S. policy. The global marketplace continues to be characterized by subsidized foreign competition. Last year, the European Union budgeted $7.2 billion for export subsidies. Along with other foreign competitors, it also spent nearly $500 million on market promotion efforts. (This compares with $90 million authorized for MAP.) The EU spends more on wine promotion than the U.S. spends for all commodities combined.

While small compared to similar efforts by other countries, MAP has been a tremendous success as a cost-share program in helping encourage U.S. agriculture exports. Last year, such exports amounted to $57.3 billion, resulting in a positive $22 billion agricultural trade surplus. Without U.S. agriculture exports, our nation's trade deficit would be even worse. U.S. agriculture exports also provided jobs for nearly one million Americans. Every additional billion dollars in agriculture exports help create as many as 17,000 or more new jobs.

Reducing or eliminating MAP funding in the face of continued subsidized foreign competition, and with another round of trade negotiations set to begin in 1999, would be nothing less than unilateral disarmament. Such action would also violate the commitments made when Congress approved the 1996 farm bill and jeopardize its continued success.

Again, we urge your continued support for this vitally important program by opposing any amendments that would either eliminate or reduce funding.

Sincerely.

COALITION TO PROMOTE
U.S. AGRICULTURE EXPORTS

COALITION MEMBERSHIP—1998

Ag Processing, Inc.
Alaska Seafood Marketing Institute.
American Farm Bureau Federation.
American Forest & Paper Association.
American Meat Institute.
American Seed Trade Association.
American Sheep Industry Association.
American Soybean Association.
Blue Diamond Growers.
California Agricultural Export Council.
California Canning Peach Association.
California Kiwifruit Commission
California Pistachio Commission.
California Prune Board.
California Table Grape Commission.
California Tomato Board.
California Walnut Commission.
Cherry Marketing Institute, Inc.
Chocolate Manufacturers Association.
CoBank.
Diamond Walnut Growers.
Eastern Agricultural and Food Export Council Corp.
Farmland Industries.
Florida Citrus Mutual.
Florida Citrus Packers.
Florida Department of Citrus.
Froedtert Malt Corporation.
Ginseng Board of Wisconsin.
Hop Growers of America.
International American Supermarkets Corp.
International Dairy Foods Association.
Kentucky Distillers Association.
Mid-America International Agri-Trade Council.
National Association of State Departments of Agriculture.
National Cattlemen's Beef Association.
National Confectioners Association.
National Corn Growers Association.
National Cotton Council.
National Council of Farmer Cooperatives.
National Dry Bean Council.
National Farmers Union.
National Grange.
National Hay Association.
National Grape Cooperative Association, Inc.
National Milk Producers Federation.
National Peanut Council of America.
National Pork Producers Council.
National Potato Council.
National Renderers Association.
National Sunflower Association.
NORPAC Foods, Inc.
Northwest Horticultural Council.
Pet Food Institute.
Produce Marketing Association.
Protein Grain Products International.
Sioux Honey Association.
Southern U.S. Trade Association.
Sun-Diamond Growers of California.
Sun Maid Raisin Growers of California.
Sunkist Growers.
Sunsweet Prune Growers.
The Catfish Institute.
The Farm Credit Council.
The Popcorn Institute.
Tree Fruit Reserve.
Tree Top, Inc.
Tri Valley Growers.
United Egg Association.
United Egg Producers.
United Fresh Fruit and Vegetable Association.
USA Dry Pea & Lentil Council.
USA Poultry & Egg Export Council.
USA Rice Federation.
U.S. Apple Association.
U.S. Feed Grains Council.
U.S. Livestock Genetics Export, Inc.
U.S. Meat Export Federation.
U.S. Rice Producers Association.
U.S. Wheat Associates.
Vinifera Wine Growers Association.
Vodka Producers of America.
Washington Apple Commission.
Western Pistachio Association.
Western U.S. Agricultural Trade Association.
Wine Institute.

Mr. COCHRAN. Mr. President, for the benefit of the record, I quoted one of the witnesses who testified before our hearing. The person I quoted was Lon Hatimaya, who is Administrator of the Department of Agriculture's Foreign Agriculture Service.

Mr. BRYAN. Mr. President, has the distinguished floor manager yielded the floor? Apparently the answer is yes. Mr. President, if I might be recognized.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I find myself in agreement with at least the concern that is expressed by the able chairman of the subcommittee. There is no question that certain agricultural segments in America face a real crisis. As I said at the outset of our discussion on this amendment, I am not unmindful, I am not unsympathetic, of these concerns and, indeed, I expect to support a number of proposals that will be advanced to assist American agriculture as it moves through this crisis period.

I do not deny that the decline has demanded, that the turmoil in Asia has created a problem, that there are some weather-related phenomena, that, indeed, there may be some competitive practices by those who compete in the world's international agricultural markets that may be decidedly unfair to American agriculture. I am concerned about that as a citizen and am prepared to support measures that effectively deal with that issue and help American farmers. I am for that.

I recognize that, as the myth of this program has taken on legendary proportions, it is an article of faith, unshaken by factual analysis, that somehow the Market Access Program provides additional farm employment, expands exports internationally, is a significant contributor to the growth of the American economy, and somehow is an effective counterweight to some of the unfair competitive practices which American agriculture faces abroad.

Mr. President, the problem with that is that each of those arguments has been analyzed in considerable detail, not by the Senator from Nevada but by the GAO in its most recent report of September 1997.

Very simply, what the GAO report concludes is that none of the claims, none of the assertions made, can be verified or authenticated—none; none. The GAO report goes to the heart of the argument that, notwithstanding this mythic epic that seems to have arisen that suggests that this program is indispensable to American agriculture, the GAO report says, ''Look, none of that, none of that can be verified.'' That is the basic premise here.

Yes, I want to be supportive and helpful to American agriculture in its time of crisis, but how can you support a program that in 10 years has cost the American taxpayer $2.3 billion?

Let me make it clear—and this is not the subject of debate today, and the Senator from Nevada certainly will yield to the Senator from Mississippi in terms of his expertise in agricultural programs—but so none of my colleagues is somehow under the impression that this Market Access Program which I seek to eliminate strikes at the core of what we are trying to do to help American agriculture, let me point out that in this same 10-year period that we spent $2.3 billion on a program which the GAO says does not do what it is intended that it does, or at least it cannot verify or authenticate it, we have spent $9 billion on export subsidies, $7.8 billion on food aid, $53.1 billion in loan guarantees. We have tried to deal with some of the issues which American agriculture faces in the international marketplace.

Point No. 1: If nothing else is taken out of this debate, the GAO says this program, notwithstanding the intensity and the passion that its advocates share for it, simply doesn't do the things that the advocates contend. Point No. 1.

The second point that I think needs to be raised, even if one conceded for the sake of argument—and I do not and the GAO does not—how can you continue to justify paying $2.5 million to

the good folks at Sunkist? How do we justify paying $1.5 million to the good folks at Blue Diamond Nuts? These are sophisticated, highly effective American companies whose products are world class, and, notwithstanding the fact that none of these products are grown in my State, I think as Americans we take great pride in their success, and the fact these products are found in the storefronts in the markets of the world, that is wonderful, but how do we justify subsidizing with taxpayer dollars? These companies have advertising budgets of tens of millions of dollars—probably much more than that. So the American taxpayer is asked to write a check to subsidize these advertising accounts.

This program is not an export subsidy, it is an advertising subsidy. The point I make in response to the point of my able colleague from Mississippi is, No. 1, the GAO says it doesn't accomplish what it says it is designed to accomplish; and, No. 2, the philosophical point, notwithstanding all of our attempts to reform this program that it ought to be confined—I don't think it ought to be in existence—to small companies, still when you look at the top 10 companies that receive these dollars, small businesses receive only $825,000 of the $7,816,000 that went to these top 10 applicants.

Notwithstanding what we attempted to do in previous years, in effect, large companies continue to be the beneficiaries of a substantial amount of taxpayers' dollars to supplement their advertising accounts.

My good friend and I have an honest difference of opinion. I think that is wrong. I am willing to work with and to support Members from agricultural States in trying to do something that makes sense, that works, that can be helpful, but at this point the GAO has concluded that none of the claims has any validity. I think it is very difficult to continue as we have for the last decade where we spent $2.3 billion on this program.

Mr. President, I yield the floor.

AMENDMENT NO. 3157

Mr. BUMPERS. Mr. President, the amendment offered by the Senator from Nevada, Mr. BRYAN, in my opinion, is a meritorious amendment. He and I fought this battle. I fought it for maybe 3 or 4 years alone, and then Senator BRYAN came to the Senate, and we have labored in the venue of trying to do away with what was then the Market Promotion Program and now called the Market Access Program.

I have absolutely no quarrel with trying to assist people who really need help. The Export Enhancement Program isn't being used. It is a big program, but it isn't being used. When I started on this, the Market Promotion Program included the biggest companies in America, and that is the source of my objection.

I am talking about some of the biggest corporations in America. And I see my good friend, Tyson Foods, is on the list still. I am sure they welcome getting $440,000 a year. Tyson Foods does over $5 billion a year, and I certainly do not want to pick on a company in my home State, particularly one that has so many of my close friends in it. But that is precisely the reason I have always objected to this program. I know that it does some good.

I heard the chairman, Senator COCHRAN, talking a while ago about some of the benefits of it, and who has benefited, and how much, and so on. I just think it is welfare for the rich. That is the reason I have always opposed it.

Senator COCHRAN and I disagree. I guess this is about the only thing—maybe one or two things—we will disagree on in this entire bill. We get along famously in the committee, but this is one that I simply could not let my dear friend, Senator BRYAN, take on alone. I just wanted to get my 2 cents' worth in and to state that I will vote with Senator BRYAN on this.

I yield the floor.

Mr. KEMPTHORNE. Mr. President, I rise today in support of the Market Access Program. This program continues to be a vital and important part of U.S. trade policy aimed at maintaining and expanding U.S. agricultural exports, countering subsidized foreign competition, strengthening farm income and protecting American jobs.

The Market Access Program has been a tremendous success by any measure. Since the program was established, U.S. agricultural exports have doubled. In Fiscal Year 1997, U.S. agricultural exports amounted to $57.3 billion, resulting in a positive agricultural trade surplus of approximately $22 billion and contributing billions of dollars more in increased economic activity and additional tax revenues.

For example, the Idaho State Department of Agriculture received $125,000 of Market Access Program funds during the past year. These funds were used to promote Idaho and Western United States agricultural products in the international markets of China, Taiwan, Brazil, Mexico, Guatemala, and Costa Rica. One particular activity, the promotion of western U.S. onions in Central America, required $15,000 of MAP funds and generated inquiries for onions valued at $150,000.

Demand for U.S. agricultural products is growing 4 times greater in international markets than domestic markets. MAP has been an enormously successful program by any measure in supporting this growth. Since the program began in 1985, U.S. agricultural exports have more than doubled—reaching a record of nearly $60 billion dollars in 1996; contributing to a record agricultural trade surplus of $30 million; and providing jobs to over 1 million Americans.

MAP is a key element in the 1996 Farm Bill, which gradually reduces direct income support over 7 years. Accordingly, farm income is now more dependent than ever on exports and maintaining access to foreign markets.

Two years ago, European Union (EU) export subsidies amounted to approximately $10 billion in U.S. dollars. The EU and other foreign competitors also spent nearly $500 million on market promotion. The EU spends more on wine promotion than the U.S. spends for all its commodities combined.

Mr. President, the Market Access Program should be fully maintained as authorized and aggressively utilized by the U.S. Department of Agriculture to encourage U.S. agricultural exports, strengthen farm income, counter subsidized foreign competition and protect American jobs.

Mr. FEINGOLD. Mr. President, I join the National Taxpayers Union, the Friends of the Earth, Citizens Against Government Waste and other pro-consumer government watchdog groups in supporting Senator BRYAN's amendment to terminate the Market Access Program. Throughout the years, this wasteful program has sometimes carelessly used taxpayer money to help those who can afford to help themselves—instead of this country's struggling small farmers.

Mr. President, over the last ten years, the USDA has shelled out $1.4 billion for the Market Access Program (MAP), which is intended to promote U.S. products abroad. MAP has been roundly criticized for giving away millions of taxpayer dollars to agribusiness giants in the name of trade, but the program has managed some unusual feats, including scaring off foreign consumers. As we face the already challenging task of reducing the deficit and preserving Social Security, MAP is a program that the federal budget, and the taxpayer, can do without.

I do not need to remind members of the millions of dollars wasted on MAP and the programs preceding it. In 1989, we had the Japan/California raisin fiasco. The California Raisin Board ran untranslated ads to promote their raisins in a market where raisins were rare. Baffled at the sight of these strange dancing blobs, many Japanese children were frightened. Mr. President, it's safe to say that if the California Raisin Board had done any market research, they would not have wasted $3 million on those commercials. They wouldn't have been so careless.

MAP is the kind of program most taxpayers know little or nothing about, but we are paying dearly for it. Though the program has undergone some changes over the last nine years, it continues to dole out money to some of the largest agriculture companies in the country with funds that could instead be used to help small farmers.

Some of the companies receiving MAP funds in fiscal year 1998 include Sunkist Growers and Blue Diamond Growers. Both are big companies that can afford to market their own products abroad without spending tax dollars. The list includes a host of other beneficiaries of MAP's 1998 $90 million dollar budget, including the California Pistachio Commission, the Mohair

Council of America, Kentucky Distiller's Association and the Wine Institute.

Mr. President, it is true that MAP was changed in the 1996 Farm bill to direct funds to cooperatives and trade associations instead of corporations, but a loophole still allows the companies that belong to those trade associations to continue to receive and spend taxpayer funds.

Mr. President, I believe in supporting and strengthening America's position in foreign markets, but when we allocate precious tax dollars to be used toward that end, we must spend them on concrete efforts to get American products on to the shelves in those markets, instead of subsidizing advertising campaigns for major corporations.

The USDA's own estimates put U.S. agricultural exports in 1998 down more than two billion dollars from the previous year. More than ever, Wisconsin farmers need the USDA to promote and place U.S. agricultural products in foreign markets through more successful export programs, not to line the pockets of big agribusiness and Madison Avenue.

I urge support of the Bryan amendment and yield back the balance of my time.

Mr. COCHRAN. Mr. President, I know of no other Senators who want to debate this amendment.

Let me just state for the information of all Senators the plan, as I understand it, that most who are involved have agreed upon, and that is to have a vote on a motion to table the Lugar amendment, which will be made by Senator STEVENS at 6 o'clock, and following that, a vote on a motion to table the Bryan amendment, which I intend to make. We will have the yeas and nays on both of those amendments.

It is the suggestion of the managers that if the Lugar amendment is not tabled, that that be the pending business following the vote on the motion to table the Bryan amendment. I don't want to speculate on how the vote on the motion to table the Bryan amendment will come out. The last time we voted, it was 59 to 40 in favor of tabling the amendment. That vote occurred on July 23, 1997, and it was an amendment to reduce the Market Access Program by $20 million. The vote No. was 199.

So I am making that as an announcement to the Senate. If anyone has any comments to the contrary or observations to make about it, we will be glad to consider those comments and observations.

Mr. BRYAN. If the Senator from Mississippi will yield for a moment?

Mr. COCHRAN. I am happy to yield.

Mr. BRYAN. The procedure that he outlined is certainly agreeable to the Senator from Nevada. He correctly recites the vote, which I greatly regret, a year ago. I simply say, this is a time for redemption for Senators tonight. Tonight they have an opportunity to exercise that redemption. I thank the Senator.

Mr. COCHRAN. I thank the Senator.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3156

Mr. CHAFEE. Mr. President, I am pleased to join with Senator LUGAR and others in offering this amendment today. The proposal seeks to establish a more balanced, deliberative U.S. policy as regards international sanctions.

Today, nations throughout the world look to the United States for leadership. The end of the cold war has clearly left the United States as the sole remaining superpower. We are sought after for many reasons: Financial assistance, military might, political leadership, and the advocacy of democratic ideals.

When the world looks to us for leadership on international sanctions, I am afraid that the administration and Congress have taken steps that increasingly have undermined our Government's reputation and influence abroad. The tendency—and it is particularly true with regard to Congress—to impose sweeping unilateral—that is, we do it alone—economic sanctions against nations whose behavior we disapprove of, I believe, is detrimental to our national interest and certainly has not succeeded in producing the results that we seek.

Let us look at several recent examples. We have heard much about the situation with respect to Pakistan, in which the threat of tough, mandatory U.S. sanctions did nothing to dissuade the Pakistanis from testing nuclear weapons. The 30-year embargo on Cuba, has done nothing to hasten the end of the Castro regime or ease the suffering of the Cuban people. And just this year, we passed legislation to impose sanctions on entities suspected of assisting Iran's missile program.

Moreover, when our sanctions have been structured to punish countries who continue to deal with the rogue nation we are trying to isolate, the outcome has been even murkier. All that these secondary sanctions end up doing is generating bad feeling among our allies about ''American imperiousness,'' and precipitating complaints from our trading partners to the World Trade Organization. As a result, the world's attention turns away from the rogue nation in question, and instead focuses on the United States and its actions.

Mr. President, if Congress continues this habit of imposing, on an ad hoc basis, unilateral sanctions against any nation because of a form of behavior we find objectionable, our influence in the world will be diminished. While sanctions laws may feel good and bolster our sense of righteous indignation, sanctions imposed under these laws far too often do nothing more than antagonize nations and their peoples, and get us into trouble with our trading partners. Moreover, sanctions mean that our influence on the region in question drops sharply. And less U.S. influence means that the values we hold dear—democratic government, market economics and respect for human rights—will not be promoted worldwide. There must be a better way.

I am an original cosponsor of S. 1413, the original Lugar bill to make wide-ranging reforms of our laws on unilateral sanctions. The amendment before us today, which is based on that legislation, would establish procedural guidelines and informational requirements before any further unilateral sanctions are imposed. It also provides for enhanced consultation between the executive and legislative branches of government prior to the imposition of sanctions. Finally, it mandates a two-year sunset for such sanctions, unless Congress specifically chooses to renew them.

This amendment does not preclude Congress or the President from taking action necessary to achieve vital national security and trade objectives. However, it does ensure that such measures first will be considered in a thoughtful and responsible manner, and that we at least will have some idea as to whether these policies may actually achieve their intended goals. Thus, I urge my colleagues to support the Lugar amendment.

I do want to stress that I think it is a great mistake for us to embark on these unilateral sanctions as freely as we do. This amendment, I believe, is a good one. Furthermore, it says that if we do impose sanctions, that there is to be a sunset provision. That sunset provision goes into effect after 2 years, unless, of course, Congress chooses to renew the sanctions.

This amendment does not preclude Congress or the United States from taking action necessary to achieve vital national security or trade objectives, but it does assure that such measures are, first, very carefully considered in a responsible manner and that we at least have some idea as to whether the policies may actually achieve their stated goal.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am saddened to have to attempt this, but I want to state to the Senate that it is to me a watershed issue now for this year. This bill really is going to go into serious gyrations if the Lugar amendment is adopted. In the first place, if it goes to the House with this amendment, it means an entirely different committee will have to review this amendment and it will make conferencing this bill very difficult.

I find myself in the position where I probably support a lot of what is in the amendment of the Senator from Indiana. I understand it is a bill that was

introduced and has not moved forward as he would like. We do have a task force that was appointed by the leader to look into the problem of sanctions; the whole approach of Senator LUGAR is under review by that task force. We are hopeful we will have a proposal to act on that, we will have bipartisan support. Broad support in the Senate would be necessary to pass it.

The Senate, last week, passed legislation that was suggested by a group here in the Senate and it has been considered by the House. It has been modified and sent to the President to deal with one part of the sanctions program. I congratulate the current occupant of the Chair for his part in that effort. I think it is an effort that must be made.

As chairman of this committee, I want to tell the Senate that we are approaching the time when we will lose the first week of the August recess. We will probably have to come back the first week of September and we still won't finish by September 30, if we add to appropriations bills full bills that deserve the consideration of the Senate. That will add to the time it takes to get the appropriations bills through this process.

I hope that the majority leader will assist in trying to convince Members of the Senate, let's not do this this year. There are legitimate riders. There are legitimate limitations on expenditures. There are legitimate concepts in terms of dealing with the appropriations process that we will have to fight out here on the floor, but we should not have to fight out here on the floor amendments that will require the bill, when it goes to the House, be subject to conference by another full committee in the House. It is not right to do that, and I hope the Senate will agree with me.

I move to table the amendment of the Senator from Indiana, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment No. 3156. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—53

Abraham	Collins	Harkin
Akaka	Coverdell	Hatch
Ashcroft	D'Amato	Helms
Bennett	DeWine	Hollings
Bingaman	Faircloth	Hutchinson
Boxer	Feingold	Inhofe
Breaux	Ford	Inouye
Bryan	Graham	Kennedy
Campbell	Grassley	Kerry
Kohl	McConnell	Snowe
Kyl	Mikulski	Specter
Lautenberg	Murray	Stevens
Leahy	Nickles	Thompson
Levin	Reed	Thurmond
Lieberman	Reid	Torricelli
Lott	Sarbanes	Wellstone
Mack	Shelby	Wyden
McCain	Smith (NH)	

NAYS—46

Allard	Domenici	Landrieu
Baucus	Dorgan	Lugar
Biden	Durbin	Moseley-Braun
Bond	Enzi	Moynihan
Brownback	Feinstein	Murkowski
Bumpers	Frist	Robb
Burns	Gorton	Roberts
Byrd	Gramm	Rockefeller
Chafee	Grams	Roth
Cleland	Gregg	Santorum
Coats	Hagel	Sessions
Cochran	Hutchison	Smith (OR)
Conrad	Jeffords	Thomas
Craig	Johnson	Warner
Daschle	Kempthorne	
Dodd	Kerrey	

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3156) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I want to thank the Senate for recognizing the process we have to follow now to limit the consideration of issues that are extraneous to the basic appropriations bills so we can get them through.

I apologize to my friend from Indiana. I do support his effort. But we had to take that action.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENT NO. 3157

Mr. COCHRAN. Mr. President, it is now my intention to move to table the Bryan amendment. Before doing so, the Senator from California has asked for 1 minute to speak in opposition to the Bryan amendment.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. I thank the Chair.

I hope the Senate will vote to table the Bryan amendment for four reasons: One, we reformed the program and the proceeds do not any longer go to big business; they go to small businesses and cooperatives; two, we have cut this program down from a high of $300 million to about $90 million; three, other countries spend billions of dollars promoting their exports; this is the least we can do; and, four, for every $1 that we put into this Market Access Program, we get back $12 in increased exports. So I hope you will join me in voting to table the Bryan amendment.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. I ask unanimous consent that the sponsor of the amendment, Senator BRYAN, be given 1 minute to respond.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Nevada.

Mr. BRYAN. Mr. President, I would simply make the point that all of the assertions and claims that have been made by the advocates for the Market Access Program have been considered by the GAO in a report released last September. They have rejected all of them. We have spent $2.3 billion in the last 10 years and the GAO concludes that they cannot establish any benefit of the program. Unfortunately, our attempt to reform the program does not prevent the largest businesses in America from continuing to have their advertising budgets supplemented to the tune of millions and millions of dollars—$5 million subsidizing the advertising budget of one of these large companies.

I hope my colleagues will recognize that this is a program that simply does not work and support the Bryan amendment by voting against the motion to table.

The PRESIDING OFFICER. Who seeks recognition?

Mr. COCHRAN. Mr. President, I move to table the Bryan amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Bryan amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 70, nays 29, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—70

Akaka	Durbin	Leahy
Baucus	Enzi	Levin
Bennett	Faircloth	Lieberman
Biden	Feinstein	Lott
Bond	Ford	Lugar
Boxer	Frist	Mack
Breaux	Gorton	McConnell
Burns	Graham	Murkowski
Byrd	Gramm	Murray
Campbell	Grassley	Roberts
Chafee	Hagel	Santorum
Cleland	Harkin	Sarbanes
Coats	Hatch	Sessions
Cochran	Helms	Shelby
Collins	Hutchinson	Smith (OR)
Conrad	Hutchison	Snowe
Coverdell	Inhofe	Specter
Craig	Inouye	Stevens
D'Amato	Jeffords	Thomas
Daschle	Johnson	Thurmond
DeWine	Kempthorne	Warner
Dodd	Kerrey	Wyden
Domenici	Kohl	
Dorgan	Landrieu	

NAYS—29

Abraham	Feingold	Lautenberg
Allard	Grams	McCain
Ashcroft	Gregg	Mikulski
Bingaman	Hollings	Moseley-Braun
Brownback	Kennedy	Moynihan
Bryan	Kerry	Nickles
Bumpers	Kyl	Reed

Reid	Roth	Torricelli
Robb	Smith (NH)	Wellstone
Rockefeller	Thompson	

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3157) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT TO BAN EGG REPACKAGING

Mr. DURBIN. Mr. President, I want to thank Chairman COCHRAN and Senator BUMPERS for accepting the amendment I offered to ban egg repackaging as part of the Agriculture Appropriations Bill. This amendment is a first step in continuing to ensure the safety of the nation's egg supply.

On April 17, 1998, the Secretary of Agriculture announced a prohibition on the repackaging of eggs packed under the United States Department of Agriculture's (USDA) voluntary grading program. This amendment codifies Secretary Glickman's prohibition which took effect on April 27, and affects eggs packed in cartons that bear the USDA grade shield.

A recent ''Dateline NBC'' program focused public attention on the repackaging of shell eggs by egg packers, and raised concerns about this practice. This amendment will prohibit shell eggs that have left the packing plant, and been shipped for sale, from being returned to the packing plant for repackaging into USDA shielded cartons. This amendment affects the approximately 30% of shell eggs voluntarily graded by USDA.

The amendment also directs that not later than 90 days after the date of its enactment, the Secretary of Agriculture and the Secretary of Health and Human Services shall jointly submit a status report to the Committees on Appropriations of the House of Representatives and the Senate. This report is intended to provide the status of actions taken to enhance the safety of shell eggs and egg products. The report also will provide the status of the prohibition on the repackaging of USDA graded eggs, and provide an assessment of the feasibility and desirability of applying to all shell eggs, not just USDA graded eggs, the prohibition on repackaging in order to enhance food safety, consumer information, and consumer awareness.

The safety of our egg supply is a primary example of the confusing array of laws, regulations, and voluntary programs which divides regulation among four federal agencies and the states. The legislation I have introduced with Senator TORRICELLI—The Safe Food Act (S.1465)—focuses attention on the problems of having multiple federal agencies with jurisdiction over various food safety laws, and how fragmentation and duplication cause waste and confusion. Jurisdiction over eggs is a good example of how confusion, overlap, and the lack of coordination leave the American public subject to food poisoning outbreaks.

The health of American families is at risk if we do not work to ensure that only safe eggs reach America's store shelves. USDA recently reported that each year over 660,000 persons in the United States become sick from eating eggs contaminated with Salmonella enteritidis (SE). Illnesses from SE can be fatal to the elderly, children, and those with weakened immune systems. According to the Centers for Disease Control and Prevention, the SE bacteria caused more reported deaths between 1988 and 1992 than any other foodborne pathogen. The Center for Science in the Public Interest estimated an annual cost of illness from SE at $118 million to $767 million.

Make no mistake, our country has been blessed with the safest and most abundant food supply in the world. However, we can do better. This amendment to ban egg repackaging will help advance the federal government's commitment to continue providing Americans with the safest food supply.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senate majority leader.

Mr. LOTT. Mr. President, I thank the managers for the work they have been doing, the progress they have made and the two votes we just had. We have been working with Senators on both sides of the aisle to identify what amendments we can do tonight. Senator DASCHLE has been working with me on this. So I announce the proposed lineup for the next few amendments to be considered tonight. I think it is important we keep working so we can complete this very important legislation for the Agriculture Department and the farmers of America.

UNANIMOUS CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent that the following amendments be the next first-degree amendments in order and limited to relevant second-degree amendments: Senator KERREY of Nebraska regarding livestock; Senator JOHNSON regarding meat labeling; Senator DODD regarding sanctions; Senator GRAHAM regarding disaster assistance; and Senator TORRICELLI regarding sanctions.

I further ask unanimous consent that if debate is concluded and a rollcall vote is requested that the amendment or amendments be laid aside to recur in the order in which they were debated, and the votes occur beginning at 8:45 with 2 minutes of debate equally divided before each vote begins.

Mr. DASCHLE. Mr. President, reserving the right to object, and it is only for clarification and one suggestion, I ask the majority leader whether the order could be DODD, TORRICELLI, JOHNSON and KERREY?

Mr. LOTT. I guess we did say in that order, but that order can be rearranged, unless the manager has a problem.

Mr. COCHRAN. For clarification, the 8:45 time that the majority leader indicated for the vote will be this evening rather than in the morning?

Mr. LOTT. At 8:45 p.m. tonight. That will give Senators a chance to have a meal that they might have agreed to have and also give the managers time to work through these amendments, but lock in their conclusion, and then that will be it for tonight after that block of votes.

Mr. DASCHLE. Mr. President, I also ask if the majority leader will object to dividing the time for the four amendments equally between now and 8:45?

Mr. LOTT. Is the Senator suggesting each amendment get the same amount of time? Mr. President, I do want to amend my unanimous consent request to comply with the lineup that Senator DASCHLE asked for. Will the Senator repeat that? What order?

Mr. DASCHLE. I was going to suggest Senator DODD, Senator TORRICELLI, Senator JOHNSON, Senator GRAHAM and Senator KERREY.

Mr. LOTT. Unless the managers have an objection, I amend my unanimous consent request to that extent.

Mr. TORRICELLI. Reserving the right to object.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Will the leader clarify for me the time in opposition to Senator DODD, who will be controlling time?

Mr. LOTT. It will be controlled by Senator COCHRAN, the opponent of the amendment, but I am sure he will be very fair in the disposition of that time so that others can speak against that amendment.

Mr. TORRICELLI. His disposition looks very fair, so I withdraw the objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

AMENDMENT NO. 3158

(Purpose: To exempt agricultural products, medicines and medical equipment from U.S. economic sanctions)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. WARNER, Mr. ROBERTS, Mr. HAGEL, Mr. DORGAN, Mr. GRAMS and Mr. HARKIN, proposes an amendment numbered 3158.

Mr. DODD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Is the Senator from Kansas objecting?

Mr. ROBERTS. I want, Mr. President, to offer an amendment in the second degree.

The PRESIDING OFFICER. Is there objection to the dispensing with the reading of the amendment? Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill at the following new section:

SEC. (A) FINDINGS.—(1) Prohibiting or otherwise restricting the donations or sales of food, other agricultural products, medicines or medical equipment in order to sanction a foreign government for actions or policies that the United States finds objectionable unnecessarily harms innocent populations in the targetted country and rarely causes the sanctioned government to alter its actions or policies.

(2) For the United States as a matter of U.S. policy to deny access to United States food, other agricultural products, medicines and medical equipment by innocent men, women and children in other countries weakens the international leadership and moral authority of the United States.

(3) Sanctions on the sale or donations of American food, other agricultural products, medicine or medical equipment needlessly harm American farmers and workers employed in these sectors by foreclosing markets for these United States products.

(B)(1) EXCLUSION FROM SANCTIONS. Notwithstanding any other provision of law, the President shall not restrict or otherwise prohibit any exports (including financing) of food, other agricultural products (including fertilizer), medicines or medical equipment as part of any policy of existing or future unilateral economic sanctions imposed against a foreign government.

(2) EXCEPTIONS. Section (B)(1) of this section shall not apply to any regulations or restrictions of such products for health or safety purposes or during periods of domestic shortages of such products.

(C) EFFECTIVE DATE. This section shall take effect on the date of enactment of this act.

Mr. DODD. I ask for the yeas and nays on the first-degree amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Thank you, Mr. President.

AMENDMENT NO. 3159 TO AMENDMENT NO. 3158

(Purpose: To perfect the amendment exempting agricultural products, medicines and medical equipment from U.S. economic sanctions)

Mr. ROBERTS. Mr. President, I have an amendment in the second degree that I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. ROBERTS] proposes an amendment numbered 3159 to amendment No. 3158.

Mr. ROBERTS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the first word in the pending amendment an insert in lieu thereof the following:

''(A) Findings. (1) Prohibiting or otherwise restricting the donations or sales of food, other agricultural products, medicines or medical equipment in order to sanction a foreign government for actions or policies that the United States finds objectionable unnecessarily harms innocent populations in the targeted country and rarely causes the sanctioned government to alter its actions or policies.

(2) For the United States as a matter of U.S. policy to deny access to United States food, other agricultural products, medicines and medical equipment by innocent men, women and children in other countries weakens the international leadership and moral authority of the United States.

(3) Sanctions on the sale or donations of American food, other agricultural products, medicine or medial equipment needlessly harm American farms and workers employed in these sectors by foreclosing markets for these United States products.

(B)(1) Exclusion from Sanctions. Notwithstanding any other provision of law, the President shall not restrict or otherwise prohibit any exports (including financing), of food, other agricultural products (including fertilizer), medicines or medical equipment as part of any policy of existing or future unilateral economic sanctions imposed against a foreign government.

(2) Exceptions. Section (B)(1) of this section shall not apply to any regulations or restrictions with respect to such products for health or safety purposes or during periods of domestic shortages of such products.

(C) Effective date. This section shall take effect one day after the date of enactment of this section into law.''.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I offer this amendment and the second-degree amendment, which fills out the tree on behalf of myself, Senator WARNER, Senator ROBERTS, Senator HAGEL, Senator DORGAN, Senator GRAMS and Senator HARKIN.

Very simply, what this amendment does is codify what Members have expressed over the last several days that they would like to see accomplished worldwide. We eliminated last week the use of food and medicine to people as a sanction in the case of Pakistan and India. We felt that was an unwise use of the sanctions; that average people, poor people should not suffer at the hands of our Nation despite the decisions made by the power elite in their own nations.

What my colleagues and I who have offered this amendment today are suggesting is that same principle ought to be applied worldwide. It is counter to everything we stand for as a people—everything we stand for. To deny people anywhere in the world food and medicine—basic food and medicine—runs contrary to the moral values that we embrace as a people.

Whatever anger we may feel and properly focus on the leadership of nations, we should not cause the innocent people of those nations to suffer as a result of our policies. For far too long, we have allowed the use of food and medicine to be used. There are only two or three countries in the world that today allow their food and their medicine to be used as a tool in foreign policy or as part of a sanctions policy.

Tonight we have an opportunity to change that law, to say that with regard to any sanctions policy, whatever other tools we may want to use depriving countries of certain economic issues, technical equipment, military hardware, availability of our lending institutions—whatever else we may want to use—that food and medicine will not be a part of that mix.

I hope no one has any illusion that in the case of a Saddam Hussein or a Fidel Castro or the leaders of North Korea, the leaders of Iran, I guarantee you tonight that they are eating well. I promise you that if they get sick, they get medicine and they see doctors.

Too often, we have allowed our foreign policy to also work against the innocent people who live in these regimes, in these terrorist countries. If this amendment is adopted, I am told that there will be an amendment offered immediately thereafter which will say that this provision should not apply to terrorist countries. None of us want anything to do with terrorist countries, but does anyone in this Chamber or America believe that the average Iraqi citizen, that the average citizen in Iran, that the average citizen in Cuba or North Korea, despite the leadership of their nation, should suffer because their leaders may engage in activities which are cruel or support terrorist activities?

I happen to believe that ought not to be the case; that the use of food and medicine ought not to be a vehicle in the conduct of our foreign policy.

Mr. President, it was noted earlier today that we have become extremely generous in the application of the sanctions policy. Since World War II, there have been 100 occasions where the United States has imposed sanctions. More than 60 percent of those sanctions have occurred since 1993.

And 61 U.S. laws and Executive orders have been enacted authorizing various types of unilateral economic sanctions against 35 countries in the name of foreign policy. The sanctioned countries comprise 42 percent of the world's population. Roughly 2.3 billion people—potential customers of U.S. goods and services—are being affected.

Mr. President, I suggest that to deprive these people of foodstuffs—I hear that one of the reasons that our farmers are not doing well in this country is because of the difficulty in foreign sales. Aside from the legitimate concern about seeing to it that innocent people are not going to be deprived of food and medicine, here is an opportunity to be able to sell some products that can actually benefit the people in these countries.

Why not take an argument away from those terrorist leaders, those dictators, who constantly want to point to us, the United States, as the reason their economies are in trouble? Why not say this evening that: You can no longer point an accusing finger at America when it comes to the issue of your children, your innocent women,

your innocent civilians, from getting food or medicine? We no longer use that tool in our foreign policy. If your people are suffering, it is not because the United States is banning the exportation of food and medicine. It is because of the economic policies of your own leadership.

Tonight, no matter how angry and legitimate that anger may be at a dictator or a terrorist leader of a country, let us not say to the poor people who have to live under those dictators and terrorists that the United States, as a result of our own policies, will deny you the opportunity to get decent food and decent medicine.

Let us not be a part of only two or three other nations—Third World countries—that I can find who use that kind of a vehicle in the conduct of their foreign policy. There is not a single member of the industrialized world, the civilized world, that utilizes food and medicine. We are the only example of it.

Tonight we have an opportunity, across the board, to eliminate the use of food and medicine as a part of our sanctions policy—still have sanctions, still deprive them, if you will, of the advantage of our engineering, our technology, our military hardware, but we are not going to say that food ought to be a part of that.

Let us join the rest of the world in eliminating that. We, the United States of America, we, the nation who embraces, with great legitimacy, the issue of human rights where innocents are involved, where the meals and the food they need and the medicine they require are involved, we are not going to be the nation that deprives them of the opportunity to use some of the best products in the world.

Mr. President, the world looks to us, particularly in the area of medical devices and medicines. And to deprive poor people of an opportunity to get some of those medicines, to get some of the food—the best grown in the world—I think would be a tragedy. Mr. President, I urge the adoption of this amendment.

I note my colleagues are here from Nebraska and Kansas and may want to be heard on this issue. I yield the floor and request how much time may remain.

We don't have time agreements, do we? No time agreements?

The PRESIDING OFFICER (Mr. ALLARD). There is no time agreement on the amendment.

Mr. DODD. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. TORRICELLI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, in regard to the amendment offered by the Senator from Connecticut, Mr. DODD, this institution should take some pause. This is some moment. Thirty years of American foreign policy by Democrats and Republicans are about to be put aside. The consequences of what Senator DODD suggests that we do here are enormous. Consider the moment.

These are not isolated humanitarian items. This would open trade for the United States of America with the greatest rogue regimes in the world, where Presidents of the United States, through 3 decades, have drawn the line and said that we will not do business with these governments unless and until they take specific actions to free their people, allow basic human rights, or make basic concessions in their relations with the United States. We are about to clear the table and tell them all is forgotten and all is forgiven.

Consider the actions, Mr. President, through the years about what would be changed. In my State, perhaps more than most in this country, tonight every Member of this Senate would have to address the families of the victims of Pan Am 103. It has been clear to Mr. Qadhafi, until he brings those to justice who were responsible for destroying that aircraft and the lives of all of those families, there will not be trade with the United States on a bilateral basis.

With the amendment of the Senator from Connecticut, the war of wills in which we have been engaged with Mr. Qadhafi, even now while he is discussing bringing those murderers to justice—we proceed. The line that was drawn those years ago is now erased.

With the Sudan—another terrorist state to which now we would sell food and medicines, engage in normal commerce; it harbors Hezbollah guerrillas, the assassins who attempted to kill President Mubarak of Egypt; we were so brave in those days, the United States was so forthcoming in drawing this line—all is forgotten and forgiven.

In North Korea—just when we have succeeded in getting the North Koreans to come to the table and enter into an agreement to stop the development of atomic weapons and try to get some responsible behavior—no need for the negotiations, we are now going to engage in commerce.

With Syria—its harboring of terrorism against Israel; its occupation in Lebanon—we will now engage in commerce.

And Iraq—at the moment, sanctions against Iraq are multinational.

But every Member of this Senate knows that the day is fast approaching when America could stand alone. Inspectors would be barred, our military would be barred from the skies. And the United States would have to have its own sanctions. And this amendment—even though Saddam Hussein has been identified again as a terrorist regime and America could be alone in its sanctions —here we would engage in commerce.

It has been contended to the Senate that we do this as a decent people because the real victims here are the poor of all these nations. That indeed is not fair, Mr. President, to this country or this Government, because, indeed, while we maintain sanctions on each of these terrorist States, for good and sound reasons that I have outlined, this Government has gone to every length to protect the poor of the poor.

In North Korea, the shipment of 800,000 tons of food, only on the condition that we know who is getting the food and that it is not going to the North Korean military. But it is not fair that the poor of the poor of North Korea are victimized because of our embargo—800,000 tons of food distributed to the poor.

And the Sudan, one of the poorest nations in the world—Senator DODD is right, the poor of the poor should not be victimized because that Government harbors terrorists and assassinates foreign leaders. And so we have approved $76 million in food assistance, only on the condition that we know that it gets to the poor of the poor.

And in Iraq, $2.8 billion worth of food and medicine, only on the condition that it not go to Saddam Hussein, that it not go to the elite, that it not support the Iraqi military—just that it go to the poor of the poor under U.N. inspections.

The amendment of the Senator from Connecticut, if indeed we at one point predictably stand alone against Saddam Hussein, our food sales will not just go to the poor of the poor, they will go to the entire Iraqi establishment.

As the author of the modern Cuban embargo, I make no apologies in this case, either. The United States provides more food and medicine per capita to Cuba than any nation in the world provides to any other nation of the world, bar none. No Member of this Senate has any apologies to make for American support of the poor of the poor in Cuba. In the last 12 months alone, there were 123 licenses to ship food and medicine to Cuba, worth $2.5 billion. I challenge any Member of the Senate to find any country more generous than the United States of America, giving to any adversary, more generously than we have to the people of Cuba.

We have a license program and we have a license program for a reason, rather than unrestricted sales of food and medicine, as the Senator from Connecticut suggests. The reason is because we found when those food and medicines are not licensed, Mr. Castro has resold them or used them to support his own military establishment, like Saddam Hussein. There is no denial of food and medicine. We simply are requiring that it be done properly.

Senator HELMS and I, with other colleagues, have joined in this Congress in an alternative to Senator DODD's proposal. Humanitarian shipments go to Cuba through the church and are licensed, on an unrestricted basis—simply that we know who is distributing them, the church, humanitarian organizations, not the Communist Party

and not Fidel Castro. It is a question of control.

It is argued, finally, that these sanctions, this restriction on commerce with terrorist regimes should be lifted because they don't succeed. On the contrary. The record is otherwise. Sanctions on South Africa to end apartheid, to the Jackson-Vanik amendment to allow Soviet Jews to leave Russia, to restrictions on Vietnam until they cooperated with POWs, the record is that, while imprecise, while offering no guarantees, economic sanctions, including the leverage on our greatest, most successful export products, foods and pharmaceutical products, can and do yield results. No one should assume, no one should believe that they work in every case or work quickly. But the historic record is that they are an alternative to military action.

Where would Ronald Reagan—or George Bush—have been when Pan Am 103 was shot down, if he did not have the opportunity to have economic sanctions and this leverage? There would be nothing available but military action. Where would we have been after the shoot down of an American aircraft 2 years ago in the Straits over Cuba, if the President could not have tightened economic sanctions?

No, they are not perfect, but they give the President added authority and weight to change policy. Every one of the countries most impacted by Senator DODD's amendment in the course of the last year and every year for the last 5 years has been identified by the State Department as a source of terrorism against the international community, every country I have mentioned on this floor tonight.

Is it really the intention of this Senate, after all these years of claiming that we had the will to fight this war on terrorism, we were as resolved as Qadhafi and Saddam Hussein and Fidel Castro, after all these years, now we are to say to them we have lost our will, we changed our minds? If that is the intention of the Senate, at least have the intellectual honesty to come to the floor, repeal the terrorism list, repeal sanctions entirely, because that is the effect of this statement. We will identify you as a terrorist, we will claim you are killing our citizens, harboring assassins, but we are glad to trade with you.

I recognize that sometimes it is necessary, unfortunately, that the United States stand alone. Only Britain and the United States are still remembering the victims of Lockerbie; only the United States, the people who are jailed in Cuba. Only the United States may have the resolve to see it through with Saddam Hussein. That is too bad. But if the end result is the United States has to stand alone against these terrorist regimes, then we never stood in better company. We can be proud that we alone remember the victims and we alone are going to impose a price for those who violate international law and victimize people.

But let it not be said, however, the Members may vote on this amendment, that any of us were a party to the poorest of the poor, and the hungry being victimized by our foreign policy, because those simply, my colleagues, are not the facts—from the tons of wheat that goes to North Korea to the pharmaceutical products licensed and distributed in Cuba.

My colleagues, consider carefully this amendment. This is not a question of the Clinton administration. It is policies and embargoes that go back as far as John F. Kennedy. It is not just a question of a couple of governments. It is virtually every nation on the terrorist list. It is not simply a question of taking the stand because of an isolated incident, like Pan Am 103 or a disagreement with Saddam Hussein. They are issues as serious as preventing another Persian Gulf war by using our leverage and continuing leverage on North Korea to cooperate on a missile regime and on atomic weapons.

This is, indeed, a serious matter. I hope if an amendment is offered to table Senator DODD's amendment, as I am informed may happen, Democrat and Republicans, on a bipartisan basis, will not only vote to table the amendment by the Senator from Connecticut, but it will do so in an expression of true and strong resolve.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. I thank you, Mr. President.

I am very pleased to join my colleague, Senator DODD as a coauthor of this legislation, along with Senator HAGEL and Senator BIDEN, and many other Senators. As has been stated, it does provide a broad exclusion for all food and medical products in regard to unilateral sanctions.

Now, I want to emphasize that right away—unilateral sanctions, not multilateral sanctions. You would hope that if you are going to put any sanction on a country that works, that is effective, or the pragmatic result results in some kind of policy change that is in the best interest of our national security, that would have the support of your allies. It is only when you have unilateral sanctions that this bill applies.

Mr. DODD. Will the Senator yield?

Mr. ROBERTS. Delighted to yield.

Mr. DODD. Mr. President, I want to add, it is unilateral economic sanctions, so it is even more narrow. This does not apply to sanctions across the board but unilateral economic sanctions. If on a national security basis some of the advisors and the President want to impose the sanction, he would be allowed to. Only when we impose unilateral economic sanctions is this tool taken off the table.

I thank my colleague for yielding.

Mr. ROBERTS. I thank the Senator and the author of the bill for that explanation. I hope that would take away some of the concern as expressed by the distinguished Senator from New Jersey.

This amendment recognizes that until the United States is literally at war or we have a national security problem with another country—and certainly terrorism fits into that category—there is no positive benefit in denying the most meager necessities of life, food and medicine, to the people of this world. Certainly it doesn't benefit the sick and hungry, Mr. President.

In regard to the people of Africa and Asia, and blocking the sale of food and medicine, it does severely damage, I think, America's image in the eyes of people across the globe. As a matter of fact, as a member of the Transatlantic Partnership, which is an organization dedicated to better understanding between the peoples and the parliamentarians of Europe and the United States, this subject comes up again and again and again. Why are you basically hurting the people who are most disadvantaged in any kind of a unilateral sanction that makes no sense in terms of any policy change?

So I think the world must know that the U.S. Government and the American people care about what goes on outside our borders, and the world must also know that the United States stands ready to provide food and medicine—on commercial terms—to anybody, any time, any place, unless there is national security involved, and unless we have a situation like the Senator from New Jersey pointed out with regard to terrorist activities or exporting terrorism. This amendment represents one very critical component of what is becoming a sweeping debate on the use of acting unilaterally—and I emphasize unilateral—all by ourselves, in U.S. foreign policy. Unilateral sanctions serve no purpose other than to hurt the U.S. businesses and workers and to diminish U.S. strength and prestige.

I firmly believe that the Congress and the administration must continue to work together on a broad-based effort to reassess all instances of unilateral sanctions. This amendment would represent an excellent step in the right direction.

Mr. President, with a few add-ons, those are my prepared remarks. I want to respond to the distinguished Senator from New Jersey. The Senator from New Jersey indicated that for the last three decades the Presidents of the United States have reaffirmed in each and every case unilateral sanctions, including the use of food and medicine. To a certain degree, I think that is true, because it was in 1980, when President Carter was President, that this issue really hit a flash point. President Carter, thinking of the terrible tragedy when the former Soviet Union invaded Afghanistan, decided we would cancel out of the Olympics. He also decided he would put on a grain embargo. I know that the President intended on sending a strong message to the former Soviet Union. I know President Carter hoped that the perception in the world community would be such that somehow the Russians would change their policy. And they did not.

I will tell you who was hurt in that particular instance by the Carter grain embargo—and I am not trying to perjure it; I am saying this happened in terms of a pragmatic effect. It was like shattered glass and it headed us toward the farm crisis of the 1980s, in some ways, and it took us years to get back contract sanctity to the point that our exports made anything. We had an excellent Olympics; I think it was in L.A. Americans won a great many battles and medals. But I can tell you that, in terms of perception, it didn't do a thing. No Russian troop ever left Afghanistan.

Now, that was a terrible tragedy. Again, we were using unilateral sanctions, and we were using the farmer and rancher with regard to that price. I submit to you that if you want to put sanctions on people, all American taxpayers should pay for it, not just farmers and ranchers. That is called an embargo. I can tell you that you can spell embargo S-A-N-C-T-I-O-N-S. No country that has sanctions put on them unilaterally, regardless of what progress we are making in terms of whatever objective we are trying to achieve, will buy from us as long as that is available from other countries. That is precisely what is happening regarding the countries where we have the unilateral sanctions.

Look at Pakistan. Thank goodness, we acted on this 98–0 this week in the Senate. They have a wheat tender. Guess who was standing in line. There was the French. They were going to buy the wheat from the French. They may anyway. We acted wisely and we said, ''This isn't going to work. Why are we hurting the American farmer or rancher or, for that matter, anybody in the business community when the sanctions don't work?'' Yes, it has been 30 years of a broad policy, trying to look at sanctions to see if they are going to work. But the fact is that was started with the Carter embargo. I must say that it took President Reagan 2 years to get around to getting contract sanctity. In the meantime, we suffered great harm in terms of farm country.

So I say to my distinguished friend from New Jersey, you are darn right, it has been a 30-year policy and, for the most part, it hasn't worked. Now, in terms of terrorism, I personally agree. Libya? I would hope that we would have multilateral sanctions. I would hope the world community would understand that Mr. Qadhafi and Libya have, in the past, exported terrorism. I might add that one of the reasons it has been so successful in terms of keeping him under wraps is that the administration at the time sent a strong message to Mr. Qadhafi. He woke up one morning to find that part of the place where he spent most of his time to watch television and do other matters was no longer there. All of a sudden, he got the message. He probably scratched his head and said, ''Had I been sitting there, it might have been a little different.'' And then he calmed down right away. Have we gotten to the bottom of all of the tragedies that he has inspired? No. Are we ready to sell him product, i.e., Kansas wheat, or any other product? No, because his behavior is such that we feel it is in our national security interest not to do that.

I agree with the Senator from New Jersey with regard to food products. They are fungible. What happens is, if you are able to arrange a sale, or for a humanitarian purpose you provide food, obviously, they have the ability in a totalitarian state to simply use that for other purposes, and they can continue whatever practices they may have. But in the end result, the people who are at the lowest levels are the people who get hurt—the women, children, all of the people mentioned by Senator DODD.

So while it is fungible, I think, with regard to agriculture and medicine, the basic question you have to figure out here is, are we using agriculture as a tool for peace? Or are we using agriculture as a foreign policy weapon? I can tell you that, for too many years now, we have used agriculture as a foreign policy weapon—to the detriment of farmers and ranchers, for no apparent reason, with no pragmatic result, with the nations that we are now talking about.

I might add that there are some moderating forces that are now at work in Iran. And I might add that when I went to Saudi Arabia with Chairman STEVENS and six other Senators, we asked the Saudis—we made indirect inquiries, and we were working with the Secretary of State to make further indirect inquiries: Could we help the forces of moderation in Iran by offering agriculture as a tool for peace? Would that work? Could they increase their diet, basic protein diet, so they are better off, and become, hopefully, more dependent on the United States with regard to their basic needs and their food supplies?

Think what could happen if we would use agriculture as a tool for peace, as opposed to a weapon, on a selective basis. The Senator from New Jersey mentioned Iraq and Saddam Hussein. I think it is disingenuous to say that the people who support this amendment somehow support Saddam Hussein. We are now allowing Iraq and Saddam Hussein to export as much oil as they did prior to the gulf war. They, in turn, used the cash that we allowed them to expend regarding oil sales to buy wheat in regard to the French. Hello. Why does that make any sense? If we are going to sanction Iraq under a banner of, well, everything except something that is humanitarian, and we say you can sell this oil to achieve humanitarian needs, food and medicine, i.e., food products, agriculture products, and they buy from our competitors, that doesn't make any sense. If you have sanctions, it seems to me you ought to make them across the board. We didn't do that. We backed off of that. There is a whole history as to where we are with Iraq and the United Nations and plans by the administration to have a limited armed conflict and where we are with that. I am not going to second guess that. But let's don't say that since we support this amendment, we support Saddam Hussein.

North Korea—if there ever was a totalitarian regime that is rather bizarre in its nature, it is North Korea. I have been in North Korea. I went to Pyongyang to meet with the North Koreans, along with Senator STEVENS, Senator INOUYE, and others. We met with representatives of the North Korean Government. We were trying to arrange a grain sale by a third-party country so they could somehow get an experience of trading with other nations—moderate, a little. That is a tough chore, I will tell you—what is happening in North Korea. We saw children who are 16 and 17 whose growth and whose stature really represents somebody who is 11 or 12. We saw young people marching out into the fields to plant some kind of crops and to hunt for grubs. We saw no animals whatsoever, not even a pigeon, not a dog, not a cow, not any kind of a farm animal. Bark on the trees was taken off up to that height.

Do you know who is helping the North Koreans? It is the World Food group led by Catherine Bertini.

So the United States, what we do under a humanitarian banner is we say, All right. We will contribute X amount of dollars. We will give it to the World Food organization. They, in turn, will buy grain on the open market. They will give the grain, then, to the North Koreans. Is there any real guarantee that they are going to use it for that? No. But under the circumstances the situation was so dire that I think that happened, to some degree.

So here we are expending money to the World Food group who, in turn, uses it to provide the humanitarian aid. I am not in a position to say that we are going to say to North Korea that we are going to enter into any kind of trade negotiations. That is a very oppressive regime. It is probably the most Stalinist, if I can use that word, I guess, regime in the entire country. And Kim Chong-il, ''The Dear Leader,'' has no illusions otherwise. Now, however, we have the South Koreans making overtures that if the North Koreans will finally behave themselves, there might be a glimmer of change in North Korea. Could it well be that we could use agriculture once again as a tool for peace? I do not know. But the bottom line is that the President under this bill —under the Dodd-Roberts bill, under the Dodd-Roberts-Hagel-Biden bill—has the authority to come in and say, if this is in our national security—if, in fact, the export of terrorism is such that this is really something that is not in our national interest, he can do so.

Why on Earth on unilateral sanctions we continue to shoot ourselves in the foot and make agriculture and farmers and ranchers pay for this when the fact is it is not working is beyond me.

Again, I say this is not an effort by Senators in some kind of disingenuous fashion to encourage terrorism, or to encourage rogue states or pariah states. Nobody wants to do that. But when you have an opportunity to use agriculture again as a tool for peace, I think we ought to do it.

I appreciate this opportunity to take this time. I thank my colleagues for their indulgence.

I yield the floor.

Mr. DURBIN. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Thank you, Mr. President. Mr. President, I wonder if the Senator from Connecticut would yield for a question?

Mr. DODD. Mr. President, I would be happy to yield.

Mr. DURBIN. I say to the Senator from Connecticut, it appears the operative language in the amendment—I hope this is the most current version—says, ''Notwithstanding any other provision of law, the President shall not restrict or otherwise prohibit any exports (including financing) of food, other agricultural products (including fertilizer), medicines or medical equipment as part of any policy of existing or future unilateral economic sanctions imposed against a foreign government.''

That is really the most operative paragraph of this amendment, is it not?

Mr. DODD. Mr. President, in response to my colleague's question, that is correct. That is the language of the bill.

Mr. DURBIN. The reason I raise that question is that during the course of the debate there have been some questions raised about whether we are restricting the power of the United States to deal with questions of terrorism and national security.

I want to ask the lead sponsor of this amendment to explain, if he will, what he means in using the term ''unilateral economic sanctions.'' Do we, in fact, preclude this President, or any future President, if we adopt this amendment, from imposing sanctions for purposes of national security or national defense?

Mr. DODD. Absolutely not, Mr. President; none whatsoever. To characterize the amendment as such is completely misleading, or as not to have read it at all. It only applies to unilateral economic sanctions. For instance, this amendment does nothing with regard to the multilateral sanctions on Iraq. Those are not unilateral sanctions. Those are multilateral sanctions that apply to that country. So it only applies there. If the President, this President, or any future President, wants to apply sanctions on some basis other than economic, they may utilize this tool. We are merely removing it from the unilateral economic sanctions.

Mr. DURBIN. If I could ask the Senator to give me a little more information, should this President, or any future President, decide that another nation is guilty of terrorism against the citizens of the United States, and he seeks to apply sanctions against that country, would that President be precluded from including in those sanctions a prohibition against shipping food and medicine?

Mr. DODD. None whatsoever, I say to my colleague.

Mr. DURBIN. I thank the Senator from Connecticut for making that point clear, because I would like to join him and the Senator from Kansas, as he says, in making a very clear record hear that none of us intend to in any way restrict the power of the President—this one, or any future President—to fight terrorism, or to stand firmly in opposition to nuclear proliferation or anything that might in any way assault the integrity of the United States or the integrity of any American citizen.

I rise in support of this amendment that has been offered by Senator DODD, Senator ROBERTS, Senator HAGEL, and Senator BIDEN in a bipartisan fashion.

The seat that I usually occupy over here is a desk once occupied by Senator Hubert Humphrey of Minnesota. Senator Humphrey of Minnesota was from an agricultural State, and said in the darkest days of the cold war when the United States was engaged in massive troop commitments in Europe to protect against the possible encroachment of communism, when we were fixated in our foreign policy of the possibility of Soviet expansionism, said that we should be willing to trade anything they can't shoot back at us, and on that basis promoted the idea of agricultural trade.

You may remember visits by Nikita Khrushchev to the United States to farms in Iowa during the midst of the cold war and the suggestions that we should still engage in trade involving food with a nation that was, in fact, our mortal enemy, the U.S.S.R. A lot of us in the Farm Belt felt that this was a reasonable means to provide some exchange not only of goods but of ideas. We felt that it also said to the average Soviet citizen that the United States of America represented people who not only had a bounty to share but were willing to do it despite our clear political differences.

Senator Humphrey inspired a policy which was followed by Democrats and Republicans for years. Soviet grain sales was a major source of discussion, even during the height of the cold war. I guess when President Reagan announced that the Soviet Union was the ''Evil Empire,'' we were still dealing in grain. We believed we could deal in food and still have a serious difference in terms of political philosophy.

Does it make a difference? Are we kidding ourselves to believe that if American food products should be sent to another country it has any impact? I think it does.

Eight years ago I went to India. Outside of Calcutta in a dusty little village I visited a site where some of America's agricultural products were being sent. It was a little facility where children—tiny little emaciated children—were being brought in for what, in effect, was their best meal of the day. I looked, and was somewhat amused to find that the bag of grain came from Peoria, IL. Imagine my pride that what we had grown in Peoria—the corn, soybeans, and wheat that was brought in—was a food product being fed in a small village outside Calcutta. What we provided these children looked like some mass of dough. It was just these basic grains mixed with water and a little sugar. They ate it like they were on a trip to Baskin-Robbins. It was the biggest treat of their lives. But before they ate the food from the United States, an interesting thing occurred. The person who was supervising the feeding of these small children in this nutrition center asked the children to pause for a moment and bow their heads and say a Hindu prayer of thanks to the United States for sending this grain.

Does it make a difference? Would it make a difference in Libya, or in North Korea, for children and their parents to know that the people of the United States were involved in either humanitarian aid or the sale of food? I think it does. I think it says something about us as a Nation.

Look at the situation in North Korea. The Senator from Kansas has been there. I have not. But it had to be absolutely frightening to see that sort of deprivation and famine in that struggle to survive.

The Senator from Connecticut is telling us in this amendment that the United States should establish standards when we push for our political policies which define us to the world. I believe, as he does, that the export of food and medicine should be above the political agenda. We are talking about the survival of children, of pregnant women, and of their families. As much as we may abhor that form of government that rules over those families, we should never be in a position where the United States has denied its bounty, its excess, to those who are in need.

As I have traveled, I have noticed the need for medicine in some countries around the world. Even those that have been liberated from the Soviet Union—now new democracies—really have medical care which is at the lowest level. Many times the basic medicines which we have in such great supply in the United States could make a world of difference in terms of disease like cholera, diphtheria, and other problems that children suffer from around the world. And so I think what the amendment seeks to do is to say that we will not deny to the children, in a country led by some dictator whom we might

disagree with, the basic protection of medicine.

This amendment really speaks to our values. This amendment draws a line in defining America to the world. This amendment says that we will not show our hatred at the expense of innocent children. This amendment says that when we apply unilateral economic sanctions, we have enough muscle in so many other areas to make our political point that we need not take it out on the most helpless in countries around the world.

I am happy to stand in support of this amendment.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I thank the Chair.

I rise to strongly oppose this amendment, and I believe that the amendment has been mischaracterized, or at least the most reasonable reading of this amendment is different from the interpretation it has been given. If in fact it is the intention to have this amendment not apply to applications for national security purposes or purposes of punishing those who have engaged in terrorist activities or other events which were directed against the citizens or the society of the United States of America, then the amendment should be clarified, because the plain reading of the amendment on page 1 beginning at line 14 states:

> Notwithstanding any other provision of law, the President shall not restrict or otherwise prohibit any exports (including financing) of food, other agricultural products (including fertilizer), medicines or medical equipment as part of any policy of existing or future unilateral economic sanctions imposed against a foreign government.

Now, the sanctions are the remedy for the action that has led us to be in a state of opposition to that foreign government. The cause of that might be that they were encouraging terrorism or they were engaged in activities that were considered to be a threat to our national security.

The means of achieving that retaliation against a foreign government is a sanction, in this case an economic sanction. The economic sanction is not the reason that we are imposing; it is the means of the imposition. And so this language does not speak to the causation of why we are imposing the sanction; it just says that whatever the cause, whether it is terrorism, national security, or whatever reason, the President is prohibited from having as one of his arrows in the quiver of remedies an economic sanction that includes all of those items which are listed in this amendment.

Mr. DODD. Will my good friend and colleague yield on that point?

Mr. GRAHAM. I will yield for a question, yes.

Mr. DODD. It is a question.

Mr. President, the authors and I could not be more clear. This is unilateral economic sanctions, and clearly in the case of some countries where we have applied that, food and medicine come off. Now, if the President wants to apply sanctions on some basis other than economic sanctions, he has all the freedom to do so.

A wonderful example of that we have just debated over the last 2 weeks. Here India and Pakistan detonate two nuclear weapons. I do not know what you could argue may be more threatening to the long-term security of the United States than two nations detonating nuclear weapons. We voted 98 to nothing to take off food and medicine as a part of the sanctions policy there.

All I and my colleagues are saying here in this case is that if the President wants to impose sanctions on the basis of something other than unilateral economic sanctions, he can do that without any restriction of this amendment. But when he only goes to impose, or we go to impose, Members of Congress—and we are far more guilty of this, by the way. Let's face it, we are talking about ourselves to some degree, and we all know what goes on here. We have a proliferation of these amendments. We all draft and issue the press releases to satisfy constituencies in this country. That is what happens. And we apply unilateral economic sanctions and deny people food and medicine, and we think that ought to stop, but not if you want to impose sanctions on bases other than economic and unilateral sanctions.

Mr. GRAHAM. I don't know what the question was.

Mr. DODD. That was a question.

Mr. GRAHAM. But clearly, the plain interpretation of the sentence that I just read is that the remedy against whatever the cause might be, whether it is nuclear proliferation, support of terrorists, attack against our national security, harboring drug traffickers, or whatever the cause may be, we are just saying that, notwithstanding any other provision of law, we have denied from the President of the United States as one of the remedies against that causation the use of unilateral economic sanctions when those sanctions include food, agricultural products, medicines, and medical equipment.

If that is not the intention, then I think the sponsors of this amendment should offer a modification—and I believe that is now within their power to do so—to clearly state it is not intended that the use of food, agricultural products, medicines, and medical equipment not be a restriction on the President's ability to use those products where the causation is terrorism, causation is an attack against national security, or some other cause. And then we could have a reasoned debate on just what would be the reach of this amendment.

I might also say, I am concerned about the language of this amendment in that we have been focusing on food—wheat, corn, other products of human nutrition. But the language goes on to say ''other agricultural products (including fertilizer).''

Now, with that parenthetical, it seems to me that we are not to sanction not only food but other agricultural products, including those products which are used by that country in the production of its own indigenous agricultural food and fiber. That obviously would be the only reason to specifically exempt fertilizer. What about seed? Would that be an agricultural product against which the President could not impose a sanction? Would tractors, combines, other of the mechanics and equipment of agricultural production be similarly excluded from the President's range of sanctions that could be used?

I believe the very fact that those questions are raised goes to one of the reasons that it is imprudent, at 7:50 p.m. on this Wednesday evening, for us to be considering this amendment. This amendment has been introduced as freestanding legislation. I assume it is before some committee of the Senate. The normal manner in which we would consider an issue of this importance would be to have a hearing, to have the language subjected to close scrutiny, not just the kind of scrutiny that can be provided here on the Senate floor by those of us who have an interest in and some knowledge of this matter, and a genuine public debate. After the idea has withstood that kind of inquiry, then it is mature to come to the Senate for consideration, for adoption, adoption that would reverse three to four decades of powers which the President of the United States has been granted by this Congress in order to achieve important U.S. national objectives.

It is also ironic that we are doing this at this time, when we have recently established a separate task force whose purpose will be to review our current sanctions policy and to bring to us their reasoned judgments as to what we should do. It seems to me that prudence would indicate that the appropriate thing to do would be to at least wait until that group that we have just established has an opportunity to complete its work and give us the benefit of its recommendation, as to what our policy should be in this area.

Mr. ROBERTS. Will the Senator yield for a question?

Mr. GRAHAM. I yield, yes.

Mr. ROBERTS. The Senator has indicated we are rushing to judgment here. I would only point out that in 30 years every agricultural group, every farm group, every commodity organization, everybody connected with every hunger organization has been pointing out the insensitivity and the counterproductivity of unilateral sanctions with food and medicine.

I have some figures here from 1995. I don't have them yet for 1996, but they are very similar. U.S. sanctions cost an estimated $15 to $20 billion of lost exports. One way or other, I guess my question to the Senator would be: Would you support a sanction indemnity payments for those industries or

those businesses who have suffered the losses, through no fault of their own, more especially agriculture?

I don't know how we fund—I know how we fund it. We do it. We could declare it an emergency. As a matter of fact, that is one of the proposals that was being talked about, in terms of the package put together by the folks across the aisle, and some of us over here, on down the road.

We can't go on like this. I hope, after 30 years of this debate, I would hope the wheat growers, the corn growers, the barley growers, the cattlemen, the pork producers—the Senator's State of Florida is a tremendous State in regard to agriculture output. I hope these farm groups have met with the Senator.

Would the Senator be in a position to help us support some kind of sanction indemnity payment, given the situation?

I am not even talking about the humanitarian aspects of this. But we have sanctions now on 75 percent of the world's population. We just can't go on like this. So, consequently, I think this is a step in the right direction. Rather than do it piecemeal, each country by country—as the Senator from Connecticut so aptly pointed out, 98 to 0, and we just had a UC bill pass here in regards to India and Pakistan because they were counterproductive.

I think the Senator is obviously concerned about an island not too far from his State and I am concerned about that.

I would just pose the question. Would he support sanction indemnity payments?

Mr. GRAHAM. I say to the Senator, that is one of many of the kinds of questions that I would assume this bipartisan commission, which is just commencing its review of our current sanctions policy, will be looking at.

I am not prepared tonight, nor do I feel myself competent tonight, to respond to the Senator's question as to whether we should have an addendum to our policy that relates to indemnification. But I am certain tonight that we also do not know enough to say that we ought to change 40 years of U.S. policy by adopting this amendment which has not been subjected, to my knowledge, to the first hour of serious Senate hearing consideration.

Mr. ROBERTS. Will the Senator yield for one more question?

Mr. GRAHAM. One more question.

Mr. ROBERTS. I appreciate the indulgence of my friend and colleague. I just want to point out that after every sanction, after every embargo, after every hindrance to every export program that we have had, we have had hearing after hearing after hearing in the House Agriculture Committee. I was privileged to be the chairman of that committee for 2 years. I have attended more hearings, more discussions, more farm meetings, been to more farm organization resolution meetings in State after State, to do something about a clear, comprehensive export policy that wards off these very counterproductive embargoes—and is simply misdirected. We have ample, ample evidence that this does not work.

I am on the sanctions task force. I went to the first meeting. We have taken some rifleshot reforms here that are sorely needed right now. It doesn't take away from the sanctions task force and their overall approach, to see if Senator LUGAR's bill is appropriate, or Senator DODD's bill, Senator BIDEN, Senator HAGEL, myself—to look back on sanctions. That is the appropriate agenda in regard to the task force. But I can assure the Senator, in terms of voluminous hearings ad nauseum, because of the hurt it has caused in farm country that we have had ample hearings.

I didn't ask the Senator a question, except to say I truly appreciate him yielding. I will cease and desist at this point.

Mr. GRAHAM. I am sorry that we didn't have a question, but the Senator has moved me to point 2 of my remarks, which is the undercurrent of much of this debate, where we focus on the poor, particularly the hungry children. Everyone is moved by those emotions. There is a natural humanitarian concern about people, particularly innocent people, being denied access to the basic necessities of life.

What offends me is the assumption that it is the U.S. embargo policy, whether it is against Iraq, Iran, North Korea, Cuba, or whatever rogue state, that is the cause of that impoverishment. This is a return to that classic ''Let's blame America first'' argument. Let's find out what is wrong with the world and then let's blame the United States of America for being responsible.

The person who is responsible for the economic conditions in Cuba is not sitting in this room and is not residing at 1600 Pennsylvania Avenue. The person who is responsible for Cuba's impoverishment is named Fidel Castro and he lives in Havana. Whether we do or do not adopt this amendment tonight, he still is going to be living in Havana and he still is going to be following discredited economic policies. He is still going to be following a personal attitude of disrespect to his own people. He still is going to be following authoritarian dictates—because he wants to stay in power.

So, Mr. President, the idea that we have to blame America first and find ourselves to be at fault for the poverty and the misery of the poor, particularly the young and the halt and the elderly, in these rogue nations, I reject and I find to be offensive personally, I find to be offensive to the values of the United States of America.

Mr. President, let me move to the third point, if I could, and that is I do want to speak specifically.

Mr. ROBERTS. Mr. President, I ask for one short question. I know I am batting, now, for the third time. If the Senator would indulge me?

Mr. GRAHAM. It is going to be a question at the end of this statement?

Mr. ROBERTS. I can promise the Senator there will be a question.

Mr. GRAHAM. I look forward to the question.

Mr. ROBERTS. It is a question I know the Senator will respond to in an affirmative way because it makes so much sense.

What would happen if we added a new section to the second-degree amendment that is pending at the desk, stating something like this:

''The President may retain or impose sanctions covered by this bill, sections (B) and (C), if he determines that retaining or imposing such sanctions would further U.S. national security interests.''

I had thought about listing some of the concerns that the Senator from New Jersey and the Senator from Florida have indicated, but I thought better of that, and put a blanket situation here—U.S. national security interests. Obviously, the export of terrorism would be included. Obviously, I think, some of the concerns that have been raised by the Senator from Florida would be included.

Would the Senator be amenable to considering something like that?

Mr. GRAHAM. I think the Senator's question makes the first point I made, and that is the inappropriateness of trying to write a piece of legislation that is as nuanced and delicate as this on the floor. I pointed out what I thought was clearly an interpretation that said that whatever the cause, we were going to be denying as a remedy the use of unilateral economic sanctions which included this prescribed list of food, agricultural products, medicine and medical equipment. Now the Senator is suggesting that he doesn't really want to go as far as this language and would like to say, at least in the area of national security, that we don't have to deal with our enemies.

I think, personally, that is too narrow a construction. I think there are a variety of types of activities that the President of the United States, with the authorization of Congress, ought to be able to sanction in the most severe possible way, including denying them the products that are listed in this legislation.

I don't think we ought to try to write that on the Senate floor at now 8 o'clock at night. This is exactly the type of considered judgment that we would say in this great deliberative body ought to be deliberated in an appropriate committee with appropriate public input.

Mr. ROBERTS. I take it the Senator's answer is no.

Mr. GRAHAM. I think my answer would be no, and my reason would be point 1 of my remarks. I am now about to move to point 3 of my remarks.

Mr. ROBERTS. Then this gift horse will ride back into the sunset and withdraw the offer.

Mr. GRAHAM. I would be very happy if this amendment would ride into the sunset as long as it didn't return.

Point 3 does relate specifically to Cuba which is an object case of the point 2, which is that the reason that Cuba is in its desperate economic circumstances is not to be blamed on the United States and our policy, it is to be blamed on Fidel Castro. The reason it didn't happen 20 or 30 years earlier is because as long as there was a Soviet Union, the Soviet Union was subsidizing Cuba to the extent of 20 to 30 percent of its gross domestic product. When the Soviet Union collapsed in the late eighties, its ability to continue to provide that kind of subsidy to Cuba also collapsed and all of the underlying inadequacies of a statist, Communist economic policy surfaced.

For us to say that we are responsible for the impoverishment of the Cuban people because we have denied them access to food, agricultural products, medicine and medical equipment, I think, is, frankly, absurd and an affront to the people of the United States of America. It is Fidel Castro who has placed his people in that condition, not the people of the United States.

Maybe the most dramatic example of that, just a few years ago when our colleague and visionary, the Senator from New Jersey, was a Member of the House of Representatives, he sponsored legislation which established the modern U.S. embargo policy relative to Cuba. I am pleased to say that I was honored to be the Senate sponsor of that legislation.

In that legislation, medicine was excluded from the commercial sanction against Cuba. There is a license policy required in order for a Cuban entity to purchase medicines from the United States, but that is available.

Do you know what has happened in the intervening now some 5 years since that access to commercial purchases of U.S. medicines by Cuba has been in effect? What has happened is zero has happened, because Cuba has not availed itself of this opportunity it had. Why hasn't it availed itself? I suggest primarily because Fidel Castro has some higher priorities in terms of his use of Cuban resources, like continuing to fund one of the most oppressive state police in the world, continuing to try to maintain what is left of a military capability. Those have all had higher priorities and, therefore, there were little resources left to use the special access through license policy for U.S. medicines.

Mr. TORRICELLI. Will the Senator from Florida yield?

Mr. GRAHAM. Yes.

Mr. TORRICELLI. The Senator from Florida makes a valuable point that somehow the responsibility for the economic ailments of failing Marxist governments incredibly is being placed on the U.S. Senate. The reason that there is hunger in Cuba and North Korea is because their systems have failed.

I recognize that in the great farm belts of America, there is tremendous frustration and suffering because of the farm crisis. But it is not frank, it is not fair to the American farmer to suggest that if the United States abandons its human rights policies and its economic embargoes on these terrorist governments, that is the salvation for the American farmer.

As my friend and colleague from Florida stated, the per capita income of Cuba is $300. Cuba has 7 days' worth of foreign exchange. Just how much wheat or corn does the Senator from Kansas believe Fidel Castro will be buying? North Korea has no foreign exchange at all. Nothing. The Sudan has a per capita income of $100 per year. These are not countries that are markets for American farm products.

I share the concern of our colleagues from the Midwest of the plight of the American farmer, but believing that we can compromise our policies on terrorism or for human rights by offering sales to nations that have no resources is a false promise and, what is more, simply contradicts the facts.

The Senator from Florida has said it right. There is blame for these failing economies and the fact the poor are suffering, but it is not here. The Senator from Florida was my cosponsor in offering in the Senate the Cuban Democracy Act which is the foundation for the current embargo against Cuba. He should be proud of everything that he did because, indeed, as is now the case with the Sudan and with North Korea and with Iraq and with Cuba, we have assured that the poor, on a humanitarian basis, will get food even though they can't buy it.

That policy now will be undermined by offering to sell these products to people who can't buy it. I think the Senator from Florida has made the case persuasively. Thank you for yielding.

Mr. GRAHAM. Thank you. I appreciate those kind remarks, and no one is more dedicated to the freedom of the people of Cuba than is our friend and colleague from New Jersey. He has demonstrated that dedication time and time again.

As he said in his earlier remarks, not only are we not the source of the blame of the impoverishment of the people of Cuba, in fact, the United States, both governmentally but primarily through the generosity of its people, has provided through donations more humanitarian assistance to Cuba in the last 4 years than the foreign aid of all other governments in the world combined. Now to say blame America first, make us the object and the source of Cuba's poverty is an affront.

My final point is that by adopting this policy, we will also be missing the opportunity to adopt a policy that has the potential of making a significant difference in terms of the U.S. national interest, but more importantly the human interest of the people living in Cuba.

What is that policy? It is also one to which the Senator from New Jersey alluded in his opening remarks, and that is a policy that says: Let us increase the opportunities for the people of the United States with modest Government assistance to join that philanthropy to provide humanitarian needs to the people of Cuba. But instead of being done on a commercial basis, which means that Fidel Castro will be in control of what is purchased and how it is distributed and how it is used to either reward or punish activities which the state considers to be beneficial, let us use the nongovernmental organizations, such as the religious organizations in Cuba, to be the means of distributing the humanitarian products. Let us use that as a means of assuring that this humanitarian effort will not be perverted for political goals.

Let us use it as a means of increasing the strength of those nongovernmental organizations, because they will play a critical role today in the life of the people of Cuba, attempting to lift some of the burden which Fidel Castro has imposed upon those people. Those same nongovernmental organizations will play a critical role during the period of transition in Cuba.

One of the key questions for the United States is not whether there will be change in Cuba. Of course there will be change. No one can tell you exactly the hour and the date of that change, but that it will come is assured. What we do not know is whether that change will be more like Czechoslovakia, a ''velvet revolution,'' relatively without bloodshed or conflict, or whether it will be more like the nation whose head of state spoke to us earlier today, Romania, where thousands of people were injured or killed during the course of the transition from an authoritarian to a democratic government.

I believe the nongovernmental organizations in Cuba will play a critical role in facilitating a peaceful transition and that by using them rather than, as this amendment would propose to do, the Government of Cuba, as the instrument for the distribution of humanitarian assistance, we have the opportunity to strengthen and elevate those nongovernmental organizations.

Mr. DODD. Will my colleague yield on that point for a question?

Mr. GRAHAM. For a question.

Mr. DODD. I think I have a question at the end of this one.

Mr. President, I know my colleague from Florida is very familiar with Cardinal Ortega, who is the leading Catholic figure on the island of Cuba. I know he knows who he is, and is aware of the recent visit by His Holiness, Pope John Paul II, when he was in Cuba in January. Obviously, my colleague is well aware, as well, of the position of the U.S. Catholic Conference with regard to lifting the sanctions on food and medicine.

I say and raise the question, certainly we all, I think, would know—and my colleague, I presume, would agree—

that Castro, Fidel Castro, has no greater enemy on the island of Cuba, or anywhere, for that matter, than Cardinal Ortega, yet is it not the fact that Cardinal Ortega, the Catholic Conference, and in fact His Holiness, Pope John Paul II, has called for the lifting of restrictions on food and medicine sales when it comes to Cuba?

Mr. GRAHAM. I believe it is even more broad. I believe they have advocated a total lifting of the U.S. embargo.

Mr. DODD. I am only referring to this particular proposal.

Mr. GRAHAM. They would not be constrained to the items included in this amendment. They would advocate a total lifting of the embargo against Cuba.

Mr. DODD. Mr. President, is the answer to the question, regarding food and medicine, Cardinal Ortega has called for the lifting of the ban on food and medicine?

Mr. GRAHAM. As well as every other aspect of the embargo. And with great respect, I believe that the policy that says, rather than lift the embargo, strengthen Fidel Castro, with no real prospects, with a country so impoverished as Cuba, that they are going to be able to compete in the commercial market to buy agricultural products—why aren't they buying medicines today? They have been authorized to do it for 5 years, and yet they have not availed themselves.

The reason is probably that it is not a high enough priority of Fidel Castro to use his limited resources to buy antibiotics. He would rather buy equipment that his military and secret police can use to suppress the people. There is no expectation he is going to use any availability of the commercial purchase of foods to any greater extent that he has used his potential of commercial purchase of medicines.

What I think does offer hope is to encourage a policy of U.S. private citizen, with limited Government support, philanthropy through nongovernmental organizations to the people of Cuba, both to meet and alleviate some of their current deprivations and build up some institutions that will help in the transition in Cuba.

Mr. President, for those four stated reasons, I believe this amendment, well intended as it might be, is inappropriate for our consideration at 8:14 p.m. on the evening of July the 15th. I hope that it will be the wisdom of the U.S. Senate, if we are given the opportunity, to set this aside through a motion to table, and that we would see the wisdom of that opportunity and then would look to the bipartisan commission on sanctions as well as the standard traditional processes of deliberation in the Senate as a means to fully explore whether we, in fact, want to change a 40-year policy of the use of economic sanctions against some of the most rapacious or rogue states on this planet.

Thank you, Mr. President.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much.

I rise this evening to strongly support the amendment by Senators DODD, WARNER, ROBERTS, HAGEL, and myself, which would exclude food and medicine sales from existing trade sanctions.

As one who has growing concern about the use of unilateral sanctions to accomplish various foreign policy and other goals, I am very pleased tonight that we are considering this very important measure. Food and medicine should not be used as a weapon in our disputes with leaders of other countries. As we have seen repeatedly, and as we have heard repeatedly on the floor of the Senate here tonight, withholding food and medicine does nothing but hurt the people whom we are trying to help in these countries.

The leaders, such as Fidel Castro, are always going to have access to these necessities. They are going to get the food, the shelter, the medicine, the care that they need. But inclusion of food and medicine in embargoes or in sanctions only makes the choices fewer for the residents of those countries and the prices higher for the average citizen.

I simply do not believe that anyone in this body can tell me this is a prudent policy in any country of the world. As just referred to here a few moments ago, somehow we are blaming the U.S. Senate or the United States for the problems in countries such as Cuba. We do not blame the United States for the bad economy. We know that that is Cuba's problem. That is Fidel Castro's making and his problem. But we are here tonight trying only to address the needs of the peoples of those countries and do it in a very humanitarian way, and not to use food and medicine as a weapon in our foreign policy arsenal.

It was also said by the Senator from Florida just a few moments ago—he said that we should have held hearings on a bill like this, that we should not be writing this kind of an amendment on the floor of the U.S. Senate tonight.

But I think he knows very well that Senator DODD and I, for many weeks, tried to schedule hearings. I am the subcommittee chairman of the subcommittee of jurisdiction in the Banking Committee over this bill. We requested numerous times—we held meetings with opponents of this legislation trying to get a time when we could hold the hearing to bring out the concerns and to help write legislation and bring it out to the floor of the Senate.

Those who are opponents of this bill are not only opposed to it tonight, but they have been opposed to it and would not allow us—now, I do not know how often that happens, but the opportunity to even hold a hearing was blocked. There have been many, many, many other attempts and meetings to try to hold a hearing on this very bill, this very amendment, and to try to work out the differences that we might have.

But for those who will say that food and medicine can still be donated as well under these embargoes, I respond by stating that the licensing process that donators have to go through is so time-consuming and it is so cumbersome that it simply is a process that does not work. What has resulted is fewer donations. Improving the distribution system is not going to work as well. We need the certainty of free market sales, unencumbered by Government regulations or dictation and direction.

Certainly, we do not need the Congress to be involved in implementing food and medicine distribution in any countries, as has been suggested here in the past. We need to help our farmers and medical supply companies preserve their excellent reputations globally. Why earn them the reputation again of being an unreliable supplier by continuing to include them in our sanctions? American farmers are still suffering from the effects of the Russian grain embargo from the late 1970s. As we heard, they got the reputation of being unreliable suppliers. And it hurt the farm economy for many, many years following that.

You have heard the statistic often in the past few days—over 60 sanctions have been imposed by this Congress and by this administration. They are based on the laws that we have passed. They target some 70 countries, and the numbers affect from one-third to two-thirds of the world's population. It is no wonder that our agricultural producers and most of the business community have united to oppose these unilateral sanctions. Why would other countries consider us reliable suppliers in the future if we continue to have this kind of a record, to hurt ourselves, to hurt our economy, to hurt our jobs, and not to accomplish the goals we have?

If these sanctions, or these unilateral sanctions, could produce the very type of reforms that we were asking or that we thought should be made, I think everybody in this Senate would line up behind it and vote for it tonight. But over 30 years we have seen that these types of sanctions and embargoes just do not work. All they do is have the exact opposite effect of hurting our farmers, our businesses, our jobs, our economy, and they also do not provide the type of health and humanitarian relief to the people of these countries suffering under these types of regimes.

Why would other countries consider us reliable suppliers in the future if we continue this kind of record? Right now we have pending, just pending, 26 unilateral sanctions—unilateral, just the United States, nobody else coming into this. When we talk about the Iraq sanctions and how we have lifted and allowed them to sell oil to meet some of their needs with food and medicine, that was a world community effort

that put pressure to allow this to happen. We cannot get our allies to support this type of sanctions or embargo. The world community doesn't support it. Many in the Senate do not support it.

There are 11 other bills that could target an unlimited number of countries, as well. One is the pending religious persecution sanctions bill which alone targets over another 100 countries.

Now, in my judgment, sanctions will only accomplish their intended goal if they are applied, again, multilaterally. Anything short of that is bound to fail. The only result, then, again, is that our farmers, our workers, are going to suffer, not the leaders. Fidel Castro is not going to suffer. Fidel Castro is not going to move out of that office one day sooner because of these sanctions. In fact, he has probably stayed in office much too long because of this type of action.

This is an important amendment which follows the commitment that we made yesterday, and that is to try to help our farmers and other businesses expand markets abroad. I urge my colleagues to strongly support it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Mr. President, I rise this evening to strongly support this amendment. We have heard a number of dynamics—issues, good questions, relevant questions—about what is being attempted in this amendment.

Mr. President, we are not talking about some revolutionary change in our foreign policy here. What we are talking about is what works. We are talking about common sense, relevance. There has been much talk tonight about humanitarian issues, human rights, trade, foreign policy, national security, all wrapped up into this debate.

But my goodness, Mr. President, as we are about to embark on a new century, a new millennium, the greatest power on the Earth, the greatest power the world has ever seen, are we to rely on embargoing medicine and food to leverage and implement our policy and our position in the word? I don't think so. We are better than that.

We have heard much conversation tonight about unilateral sanctions, multilateral sanctions. The world has changed, shifted. There is no nation on Earth today that can't get medicine and food, commodities, services, products, somewhere else. They don't need to go through the United States. So, in fact, what are we doing? Are we isolating some other country? Are we isolating a leader? No; we are isolating ourselves. We are isolating our farmers. We are isolating our ranchers, our producers, our people, our future, our growth. And for what? We are not compromising our national security when we talk about these issues of medicine and food. We are not exchanging trade for security. We have gotten a little off focus here this evening in some of this debate, a little bit off focus.

Foreign policy is about dynamic change, about a world of great change, a world of hope and opportunity. It is about our role in the world and how we best position ourselves in the world to make our point.

The question always comes back to, How best do we do that? How best do we leverage what we have? What works? Does withholding food and medicine work? Well, look around; look around. This is not some fly-by-night quick deal that we are talking about here. We have debated these issues.

My colleagues have talked about efforts, which I have been part of, to get hearings. Again, I go back to one point of reality here: This is not a revolutionary shift in policy. And if, in fact, we are to enlist more allies and do what America has always done—defend and enhance more liberty for more people—we come back to the question of how we do that. Does trade and commerce improve people's lives? Does it open societies? I think history has answered that rather clearly.

Yes, I am from a Midwestern State. I am from a large agriculture exporting State. That is important. Those interests are important. But there is not a farmer in Nebraska who is saying, ''I would trade America's national interests in the world'' —or even entertaining that bargain—''for selling more corn or beef.'' So let's not mislead anyone here tonight that that is the trade. That is not the trade here. That is not what we are talking about. We are talking about what works and who is really penalized here.

I can go through a list. You all know about what has happened when wheat embargoes have been put on. President Nixon in 1973 banned soybean exports. What has that done? Well, it has made Brazil a very significant soybean producer, is what it has done. I have pages of these things to talk about, specifically narrow, focused issues on agriculture and medicine. But in the interest of time and the interest of good judgment, so that my colleagues won't be completely offended by this debate, suffice it to say that this is a debate about the totality and the completeness of what encompasses foreign policy, and trade is part of that—trade is part of it—and how we best work our way in to nations that don't have the same values and standards and morals and respect for rights as we do.

I close by a point I made at the beginning of my remarks. A great power, the greatest power on Earth, this Nation that has done so much for so many for so long, should not need to rely on embargoes for food and medicine to implement and further our policy.

I hope my colleagues look at this in the completeness of how we, who have offered this, intend it to be viewed and would support this amendment.

I yield the floor.

Mr. WARNER. Mr. President, I rise today as a strong supporter and principal cosponsor of this important amendment sponsored by my friend and colleague, Senator DODD.

This amendment would exclude the export (including financing) of food, other agricultural commodities, medicines and medical equipment from any unilateral sanctions imposed by the United States.

In recent weeks, we have heard over and over again here on the Senate floor, on the weekend talk shows and in the editorial pages of numerous newspapers how unilateral sanctions on the export of agricultural commodities, medicine and medical equipment primarily hurts American producers of those producers.

Also, in most cases, the prohibition or restriction on the sales of food, medicine and medical equipment in order to punish a foreign government harms the general population in the targeted country rather than that country's leadership.

Gary Hufbauer—a renowned expert on the issue of sanctions—made that very point in his recent article in the Washington Post. He stated:

> . . . economic sanctions can inflict pain on innocent people while at the same time increasing the grip of the leaders we despise. When sanctions are applied broadside—as against Haiti, Cuba and Iraq—the hardest hit are the most vulnerable: the poor, the very young, the very old and the sick. Left unharmed, and often strengthened, are the real targets: the political military and economic elites.

Finally, unilateral sanctions on food and medicine rarely achieve the goal of having the targeted nation alter its actions or policies. In light of that, I believe it is time to stop using food and medicine as a foreign policy weapon.

As a member of the recently established Sanctions Task Force, I look forward to working with my colleagues on the broader issue of reviewing on the broader issue of reviewing the overall U.S. sanctions policy.

However, I believe that is appropriate at this time to proceed with this amendment to exempt food and medicine—what I consider humanitarian products—from unilateral U.S. economic sanctions.

Mr. President, Senator DODD and I have been working towards this goal for a considerable time. Our former colleague, Senator Wallop of Wyoming, has been a valued resource for facts which compel this action. Likewise, a number of Cuban Americans have urged this goal. The time is now.

Mr. TORRICELLI. Mr. President, this issue has now been debated at great length. And having listened to so many of my colleagues, for my own part, I wanted only to respond to several things that have been said and then leave the issue with the Senate.

It is being suggested that somehow the idea of economic sanctions is some aberration of policy, inconsistent with our values, inappropriate in the final years of the 20th century. I want to remind my colleagues that the American effort to impose economic sanctions

began with Woodrow Wilson, after the Great War, as an alternative to military conflict. So many lives had been lost and the war was so senseless that we began this 20th century with a commitment that this was the better alternative. I don't believe that Members of this Senate have been dissuaded from that view, given the outrageous conduct by terrorist states and facing the choice of military attack or expressing our outrage by separating them out of the international trading community. Sanctions are the better choice.

Contrary to the statements of my friend, the Senator from Nebraska, the record is replete that they do succeed. How many Soviet Jews would have left Russia had it not been for Jackson-Vanik? What cooperation would we have had from Vietnam in finding POW crash sites if it hadn't been for sanctions? Where would North Korea had been now in stopping the development of atomic weapons if not for sanctions? Where would we be in negotiating with Qadhafi for the killers of Pan Am 103 if not for sanctions? Indeed, would Fidel Castro have had the Pope in Havana if there had not been sanctions? They are not always perfect, but they are the better alternative to military action.

My friend Senator DURBIN, the Senator from Illinois, asked the rhetorical question whether or not there would be an impact on national security. What an easy vote to cast on this floor. But what a difficult thing it would be to face if tomorrow morning Castro, Saddam Hussein, and Qadhafi found that the sum and the substance of America's economic boycott on principle against their regime had been destroyed. Thirty years of American foreign policy is on the line. Without a hearing, without the administration being heard, without an alternative being offered, the sum and substance of American foreign policy would be taken off the books.

I suggested earlier in a colloquy with my friend from Florida, Senator GRAHAM, that I know why it is being done. I understand the frustration of our colleagues from the Middle West. But the suffering of American farmers is addressed by changing American farm policy, not changing American foreign policy. These are the poorest nations in the world. It is not fair to the American farmer to say that plummeting prices and failing farms are going to be answered by ending the embargo on Cuba, where the average person makes $300 a year, or the Sudan, or North Korea. These are poor, small nations, without the ability to buy. If they had the ability to buy farm products, they would be buying them from Argentina, Australia, or France, or other American competitors. But they are buying from no one, because they have nothing.

Let's at least be honest about the debate. This will not add up to one dime of American farm sales. It is a political answer for an economic problem. I suspect that the numbers would bear me out that my State of New Jersey manufactures as much in the gross value of pharmaceutical products as the State of Nebraska and the State of Kansas produce in agricultural products. Every major pharmaceutical company in America is in my State. I have never heard one pharmaceutical executive or one worker suggest that we should give in to Qadhafi on Pan Am 103, or the political prisoners in Cuba, or terrorism in Syria or Sudan because of a market opportunity—not one. And I don't believe that your farmers feel any differently than my pharmaceutical executives.

Mr. DODD. Will my colleague yield for a second? We are going to have a vote in 10 minutes. I haven't had a chance yet. I made opening remarks, but I wanted to speak again.

Mr. TORRICELLI. I wanted to ask a question, if I could, and then I will yield to the Senator from Connecticut.

In my reading of the Senator's amendment, not only would it be lifting these restrictions on food, but also on pharmaceutical products, including medical devices, and including the financing of food; is that accurate?

Mr. DODD. Yes.

Mr. TORRICELLI. Well, let me conclude, and then I will allow the Senator from Connecticut to end on his amendment, as is only right and appropriate.

I don't know how a Member of this Senate tomorrow morning could call the families of the victims of Pan Am 103, who are now suing to get financial reimbursement for the loss of their loved ones from Qadhafi, and now suggest that we are going to be financing food exports to Libya or Cuba. Not only are we not selling, but we will be financing.

This brings us back to where we were with Saddam Hussein when the gulf war started. How could we explain to any American that, while American soldiers were having to fight in Iraq, Iraqi soldiers were eating food not only made in the United States but financed by American taxpayers? That would be returned to. Senator GRAHAM and I specifically prohibited medical devices because there was evidence that Fidel Castro was using medical devices made in the United States to torture and interrogate prisoners in Cuba. That is the sum and substance of what the Senate faces.

I apologize to the Senator for consuming so much time.

Mr. DODD. Mr. President, first of all, I yield to my colleague from Kansas for a modification he wishes to make.

AMENDMENT NO. 3159, AS MODIFIED

Mr. ROBERTS. Mr. President, I send to the desk a modification in the best interests of the Senators who have expressed strong opposition to this legislation. Obviously, they have some additional concerns that have been expressed.

The PRESIDING OFFICER. The Senator has a right to modify his amendment, and the amendment is so modified.

The amendment (No. 3159), as modified, is as follows:

Strike all after the first word in the pending amendment an insert in lieu thereof the following:

''(A) FINDINGS.—(1) Prohibiting or otherwise restricting the donations or sales of food, other agricultural products, medicines or medical equipment in order to sanction a foreign government for actions or policies that the United States finds objectionable unnecessarily harms innocent populations in the targetted country and rarely causes the sanctioned government to alter its actions or policies.

(2) For the United States as a matter of U.S. policy to deny access to United States food, other agricultural products, medicines and medical equipment by innocent men, women and children in other countries weakens the international leadership and moral authority of the United States.

(3) Sanctions on the sale or donations of American food, other agricultural products, medicine or medical equipment needlessly harm American farmers and workers employed in these sectors by foreclosing markets for these United States products.

(B)(1) EXCLUSION FROM SANCTIONS.—Notwithstanding any other provision of law, the President shall not restrict or otherwise prohibit any exports (including financing) of food, other agricultural products (including fertilizer), medicines or medical equipment as part of any policy of existing or future unilateral economic sanctions imposed against a foreign government.

(2) EXCEPTIONS.—Section (B)(1) of this section shall not apply to any regulations or restrictions with respect to such products for health or safety purposes or during periods of domestic shortages of such products.

(C) The President may retain or impose sanctions covered under (B)(1) if he determines that retaining or imposing such sanctions would further U.S. national security interests.

(D) EFFECTIVE DATE.—This section shall take effect one day after the date of enactment of this section into law.''.

Mr. DODD. Mr. President, I have sat here patiently listening to a lot of rhetoric associated with this amendment.

Mr. GRAHAM. Will the Senator yield for a question?

Mr. DODD. I am happy to yield for a question.

Mr. GRAHAM. I hope that at some point someone will explain what that modification is. But this question relates to a different issue.

One of the typical restraints that the United States has imposed on the sale of food and medicine to suspect countries has been that there has to be an independent source of distribution so that the food and medicine will not be, as allegedly has occurred in North Korea, diverted just to feed the soldiers and let the civilian population starve.

In light of that, I am concerned with the language on line 15, where it states that ''the President shall not restrict or otherwise prohibit any exports,'' and then it lists the items.

Would this mean that the President could not impose a restriction, such as the requirement that, yes, we will provide food and medicine, but in a manner that will assure that the people for whose good we intended it to be utilized will be fed, will be medicated, not

the elite or those elements of the society that are serving to oppress the people? Would the President be prohibited from making those kinds of restrictions?

Mr. DODD. I thank my colleague for the question. If I thought for a single second that anything I might offer in this amendment would win his support, I would engage it with a higher degree of seriousness.

Obviously, I can be confident that any American President would want to make sure that any program we were endorsing on the sale of food and medicine was going to maximize the potential for it to reach the intended consumer, and that is the innocent people in these countries. But let me, if I can, come back to some points that have been made here over the last hour and a half or so.

First of all, we have heard about Lockerbie. I take a backseat to no one in my sense of outrage, nor do any of my colleagues who support this amendment, over the grotesque and violent shooting down of Pan Am Flight 103 that caused such a tremendous loss of life over Lockerbie, Scotland.

But let me take Libya off the table. There are multilateral sanctions against Libya. There is nothing in this bill that affects Pan Am Flight 103. And to suggest so is to not have read the amendment nor to understand the sanctions regimen against Libya. It is multilateral sanctions. This bill is unilateral sanctions only on economics.

So to raise the prospect of the tragedy over Lockerbie in the face of this amendment is either not to understand what exists in Libya or not to understand what this amendment proposes. So Libya is not in play at all.

I point out that many of my colleagues over the last few days have indicated their own strong feelings on the subject of the use of food and medicine as a tool of our sanctions policy with unilateral economic sanctions. My colleague from Idaho, Senator CRAIG, quoting him in his remarks of the day during the debate on Pakistan and India, and I quote: ''Cutting ourselves off through unilateral sanctions seldom benefits us as a nation, and almost always hurts the producer. Food should never be used as a tool of foreign policy.''

Our colleague from Montana, Senator BURNS: ''Let me tell you a little bit about sanctions. I have never been convinced that sanctions on food really worked.''

Our colleague from Kansas says, who is the Presiding Officer, if I may in his presence quote him in that debate: ''Food being used as a tool of foreign policy should never ever occur.''

Senator DORGAN: ''We ought to decide as Congress right now that sanctions do not include food shipments.''

I can go on. Our colleagues, I think, across party lines, across the great spectrum of this country, have come to realize that, as my good friend and colleague from Nebraska so eloquently pointed out, we are a great nation. We are the most powerful nation on the face of this Earth economically, and militarily. We are the envy of the world politically. And for us on this evening to say that this great power still finds it necessary in order to advance its foreign policy interests that food and medicine that would go into the mouths and bodies of innocent people who live in these dreadful regimes may be the subject of unilateral economic sanctions, I think, is sad. I think it is sad.

We who sit here this evening and have full meals—those who oppose these policies and never worry about whether or not their child can get an inoculation, or an immunization, whether or not they are ever going to have food on their table—look in the face of an innocent North Korean child, if you want to, or look in the face of an innocent Cuban child who has to live under Fidel Castro—that child didn't make that choice. That family didn't make that choice. Are we in this great power of ours, the United States of America, saying this evening that we will not allow the sale of food or medicine to help out that child of those countries? I don't believe that. I don't believe that. I think we are bigger, I think we are better than that.

I think this debate on sanctions has been healthy. It is beginning to recognize the awakening in America that, as our colleague from the farm States and others have pointed out, we need to have policies that work—not that make us feel good. This is not about press releases. It is not about satisfying constituencies here at home. It is about doing something that advances our legitimate foreign policy interests. Do we do that by causing injury to our own people and causing injury to innocent people in these countries while the elite economically and politically grow fat on their own dictatorships at the expense of their own people, and we in our own unwitting way assist them in that process?

Mr. President, I hope as our colleagues come over here—this is not about endorsing terrorism or excusing Libya in Flight 103, or any other dreadful atrocity that a dictator has imposed. It says that with regard to unilateral economic sanctions the United States of America, at the close of the 20th century and the beginning of the 21st, that we take food and medicine with regard to unilateral sanctions off the table—we take it off the table—and we will advance our cause by building support on the suggestion in the minds and hearts of innocent people in these countries that they overthrow these very dictators, and we let them know this evening that we are not going to allow our wealth and our technology, which has produced the largest abundance of food and the best medicines in the world—that if we can get them to these people, we want to see that it happens and that we stand for that.

Mr. President, I urge the adoption of this amendment which has been offered by a bipartisan group of us—from the East, in the Midwest, the far West—this evening, and that it be supported by our colleagues.

I yield the floor.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, it is my understanding that the Kerrey amendment we will have a vote on.

Let me ask the Senator from Mississippi.

Mr. COCHRAN. Mr. President, if the distinguished Senator will yield, it is our hope, given the fact that only one amendment really has been debated—and that is the Dodd amendment up to the point of 8:45 under the order—that a vote will occur on a motion to table the Dodd amendment, which will be made by the distinguished chairman of the Appropriations Committee. That will take with it, if it is agreed to, the amendment offered by the Senator from Kansas in the second degree. Then, that would be the only vote ordered to occur right now. We still have four other amendments that have been cited as in order to come up tonight: The Torricelli amendment, the Johnson amendment, the Graham amendment, and the Kerrey amendment. If the Dodd amendment is tabled, there won't be a need for the Torricelli amendment, as I understand it, and that would be withdrawn.

Then we think we can work out an agreement to accept the Johnson amendment, which is the third amendment, and the Graham amendment on disaster assistance. But we would have to have a vote on the Kerrey amendment. That could occur tonight, or tomorrow, whatever the pleasure of the leadership is.

Mr. STEVENS. I want the Senate to know that when the Leaders arrive, we will have to discuss the arrangement on whether or not that vote will occur tonight. And it will be my hope that it will occur tonight, Mr. President.

But, under the circumstances of the situation now, again in order to facilitate the management of this bill, I move to table the Dodd amendment, which, as I understand, would also carry with it the second-degree Roberts amendment. I reluctantly make that motion, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska to lay on the table the amendment of the Senator from Connecticut. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from New Mexico (Mr. BINGAMAN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 38, nays 60, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—38

Ashcroft	Helms	McConnell
Breaux	Hollings	Murkowski
Bryan	Hutchinson	Reid
Campbell	Inhofe	Sessions
Chafee	Kohl	Shelby
Cochran	Kyl	Smith (NH)
Coverdell	Landrieu	Snowe
Faircloth	Lautenberg	Specter
Ford	Levin	Stevens
Frist	Lieberman	Thompson
Graham	Lott	Thurmond
Gramm	Mack	Torricelli
Gregg	McCain	

NAYS—60

Abraham	Dodd	Kerry
Akaka	Domenici	Leahy
Allard	Dorgan	Lugar
Baucus	Durbin	Mikulski
Bennett	Enzi	Moseley-Braun
Biden	Feingold	Moynihan
Bond	Feinstein	Murray
Boxer	Gorton	Nickles
Brownback	Grams	Reed
Bumpers	Grassley	Robb
Burns	Hagel	Roberts
Byrd	Harkin	Rockefeller
Cleland	Hatch	Roth
Coats	Hutchison	Santorum
Collins	Inouye	Sarbanes
Conrad	Jeffords	Smith (OR)
Craig	Johnson	Thomas
D'Amato	Kempthorne	Warner
Daschle	Kennedy	Wellstone
DeWine	Kerrey	Wyden

NOT VOTING—2

Bingaman	Glenn

The motion to lay on the table the amendment (No. 3158) was rejected.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. STEVENS. May we have order?

The PRESIDING OFFICER. Let's have order in the Senate.

Mr. LOTT. If I can explain what the order will be now. The Chair will put the question on the Roberts amendment to the Dodd amendment. I presume that will be accepted by a voice vote. Then we will go to the Torricelli second-degree amendment, with 2 minutes for him to describe his amendment, 2 minutes for Senator DODD in opposition, and then a vote on that.

Mr. DODD. Will the leader yield?

I say, Mr. President, that is not a second-degree amendment. It is a freestanding amendment.

Mr. LOTT. Freestanding amendment then.

Mr. TORRICELLI. If the leader would yield, it is my understanding, from our conversation, that the Roberts amendment would be accepted; and I will, in turn, have a second-degree amendment.

Mr. LOTT. That was my understanding.

Mr. DODD. If the leader would yield, the Roberts amendment is a second-degree amendment.

Mr. GRAMM. If it is dealt with, that clears the tree.

Mr. LOTT. So after 4 minutes of debate, equally divided, we could go to a recorded vote on the Torricelli amendment. I ask unanimous consent that that be the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I ask unanimous consent that we then go to—

Mr. BYRD. Mr. President, reserving the right to object, and I will not, of course.

Mr. LOTT. I am glad, of course, to yield to the Senator.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I apologize to the leader for interrupting him.

Mr. LOTT. It is certainly all right, Mr. President.

Mr. BYRD. Have the yeas and nays been ordered?

Mr. LOTT. On the Torricelli amendment? I do not believe they have.

Mr. BYRD. Then the leader did not mean to include in his unanimous consent request that it would be a recorded vote.

Mr. LOTT. That is correct, Mr. President.

Mr. BYRD. I thank the Senator.

Mr. LOTT. I ask unanimous consent that it be in order to ask for the yeas and nays on the Torricelli amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I ask for the yeas and nays on the Torricelli amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. I ask unanimous consent that then we proceed to the Kerrey amendment and that there be 10 minutes of debate equally divided on the Kerrey amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Mr. President, reserving the right to object, I wonder if, since everybody is here, whether we could limit the vote on the Torricelli amendment to 10 minutes.

Mr. LOTT. I think that is an excellent request.

And I ask unanimous consent that that vote be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I believe then we are ready to put the question.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 3159, the Roberts amendment.

The amendment (No. 3159) as modified, was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. I would like to make one more unanimous consent request. I ask unanimous consent that the vote on the Kerrey amendment—if ordered, and we get the yeas and nays on that—be also limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I ask unanimous consent that it be in order for me to ask for the yeas and nays on the Kerrey amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I ask for the yeas and nays on the Kerrey amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 3160 TO AMENDMENT NO. 3158, AS AMENDED

(Purpose: To exclude the application of the amendment to certain countries)

Mr. TORRICELLI. Mr. President, Members of the Senate, we are about to cast a vote that we will remember for many years. I know the issue of the day is the farm crisis in the Midwest. The answer to that problem is in this market, in this Senate, not by changing a fundamental of American foreign policy. The issue today may be the farm crisis, but last year and the years before that, it has been the war against terrorism.

My amendment is simple. We have lifted the American embargo against selling food and medicine unless—unless—you are from a country that is engaged in terrorism against the United States of America.

Mr. Qadhafi does not deserve, tomorrow morning, to wake up and find out we forgot about Pan Am 103; or Castro, with his political prisoners; nor should we end with North Korea our actions just when we are negotiating the control of atomic weapons.

I know the frustration of my colleagues from the Midwest, but these nations, with per capita incomes of $100, $200, $300, they are not buying agricultural products from anyone in the world, so they are not going buy them from us, because they have no money, because they are failing Marxist regimes.

For 30 years, this country has held the line that on human rights and on actions of terrorism against our country we would not deal with them. Things are so close, the handful of Marxist regimes that are left—the handful—do not throw them a lifeline.

Can you imagine the frustration tomorrow morning of activists in Cuba who are fighting for freedom to find out we have taken the heart out of this embargo? Make no mistake, this is the heart. These countries, from Libya to North Korea, to those that are harboring assassins in the Sudan, the Hezbollah in Syria, these terrorist nations, they are not seeking to buy airplanes or high technology. This is all they would have if they had the resources.

This is not a message you want to send. Today it may be the farm crisis. But terrorism is not gone from this Earth. The State Department has told us that there are these nations, these six nations, engaged in terrorism against our people. They do not deserve an exception. The Senate has done its will. It has lifted food and medicine. Just keep this exception on these few terrorist states.

Mr. HELMS. Mr. President, in the rush to end sanctions, I find it incredible that some of our colleagues appear

willing to forgive and forget the conduct of regimes like those in Iran, Iraq, Libya, Cuba, Sudan, and North Korea.

The inescapable impression is that they are willing—I hope unwittingly—to cast aside U.S. laws designed to ensure that U.S. taxpayers' money will not be sent to regimes that proliferate weapons of mass destruction, or smuggle drugs over our borders, or promote acts of terrorism around the world.

More disheartening is an apparent willingness to abandon the Cuban people to the brutality of Fidel Castro.

Mr. President, I am pleased that the Majority Leader has taken the initiative to create the Sanctions Task Force, of which I am a member. That bipartisan group has been tasked with studying sanctions in a deliberate process and produce recommendations for the consideration of the Senate.

Rather than wait for that careful review, Senator DODD has offered an amendment today that would have the effect of undermining existing sanctions on rogue states.

Mr. President, there should be no mistake about Senator DODD's seeking to undermine the U.S. embargo of Fidel Castro's regime. So eager is the Senator to achieve this end, that he is willing to blow a hole in all other U.S.-supported embargoes as well. That is what the Senator's amendment would do.

The Senator's amendment is based on the mistaken notion that people in Cuba go without food and medicine due to U.S. sanctions. The facts paint a very different picture. Cubans have been impoverished by a failed Communist economy. Moreover, Castro denies his own people such necessities as a means of keeping them under his thumb. But, he makes state-of-the-art medical care available to Communist party cronies and foreign tourists who provide hard currency to his regime.

Mr. President, U.S. and multilateral sanctions routinely contemplate humanitarian needs of the people in these countries. In the case of Cuba, U.S. law currently permits the sale of medicines and the donation of food and other humanitarian necessities. Indeed, just since 1992, Americans have provided about $2.3 billion in aid directly to the Cuban people.

The comprehensive trade embargo on Iran allows for humanitarian donations to be sent. Even with North Korea, the U.S. has been able to accommodate humanitarian needs without loosening the restrictions in other areas.

In Iraq, the food-for-oil agreement allows humanitarian aid to flow. Our Treasury Department also licenses the donation and sale of these items.

The bottom-line is that the Dodd amendment is not good for the Cuban people or any other country—including our own. Therefore it is imperative that the Torricelli second degree amendment be approved by the Senate.

In Cuba, as with other countries, there are reasonable, pro-active steps that we can take to promote the liberation of the people and, in the mean time, provide humanitarian assistance. But, we should do this without letting up the pressure on the tyrants who torment their own people.

Mr. President, in closing, I am persuaded that it is not and never will be in the interest of the United States of America to relax pressure on governments that promote terrorism, destabilize regions with their aggression, proliferate nuclear weapons technology, and enslave their own people. Therefore, I urge that the pending Torricelli second degree amendment be approved overwhelmingly.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TORRICELLI. I thank my colleagues.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. TORRICELLI] proposes an amendment numbered 3160 to amendment No. 3158, as amended.

Mr. TORRICELLI. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment is as follows:

At the end of its amendment add the following:

Notwithstanding any other provision of this section, section B(2) shall read as follows:

(2) EXCEPTIONS.—Section (B)(1) of this section shall not apply to any country that—

(1) repeatedly provided support for acts of international terrorism, within the meaning of section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)); or

(2) systematically denies access to food, medicine, or medical care to persons on the basis of political beliefs or as a means of coercion or punishment; or to

(3)

Mr. DODD. Mr. President, the Senate has just expressed its will on this issue. My colleagues, Senator ROBERTS, Senator HAGEL, Senator WARNER, Senator GRAMS, and Senator DORGAN and I offered the amendment and, in fact, included language by Senator ROBERTS which very specifically allows the President to retain or impose any of the above sanctions if he determines such sanctions to be in the national interest of the United States.

Our underlying amendment only deals with unilateral economic sanctions. On any nation where there are multilateral sanctions, such as Libya and Iraq, this amendment would not apply. It is only in those countries where there are unilateral sanctions being imposed.

Now, it should come as no great surprise to my colleagues that the nations on whom we impose unilateral sanctions are the very nations that my colleague from New Jersey would now like to exempt. What we have been suggesting here this evening is that this great Nation, as my colleague from Nebraska, Senator HAGEL, so eloquently said—this great Nation, with its great economic and military power, we ought to be able to take food and medicine out of the arsenal of sanctions we use for the very economic elite and political elite of these terrorist countries. They do not suffer for lack of food. They do not suffer for lack of medicine. It is the innocents who live under these regimes who pay the price, and also the very farmers of this country who grow the products who are suffering today as a result of a farm crisis, denied the opportunity where there are nations who can afford to buy these products who pay the price. And we do not change policy in these countries.

With all due respect to my good friend from New Jersey and those who would support this amendment, we have provided for language here that would allow for an exception should that occasion arise. But let us not undo the will that the Senate just expressed on the underlying amendment to take food and medicine off the table. Use whatever other sanctions we will or we might, but food and medicine ought not to be a part of the unilateral economic sanctions regime that this country would seek to impose.

The PRESIDING OFFICER. The Senator's time has expired.

All time has expired.

Mr. DODD. Mr. President, I move to table the amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment No. 3160. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Vermont (Mr. JEFFORDS) is necessarily absent.

Mr. FORD. I announce that the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Ohio (Mr. GLENN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 30, nays 67, as follows:

[Rollcall Vote No. 204 Leg.]

YEAS—30

Akaka	Enzi	Mikulski
Baucus	Grams	Moseley-Braun
Brownback	Hagel	Moynihan
Byrd	Harkin	Reed
Cleland	Inouye	Roberts
Conrad	Johnson	Rockefeller
Daschle	Kennedy	Sarbanes
Dodd	Kerrey	Thomas
Dorgan	Leahy	Warner
Durbin	Lugar	Wellstone

NAYS—67

Abraham	Biden	Bryan
Allard	Bond	Bumpers
Ashcroft	Boxer	Burns
Bennett	Breaux	Campbell

Chafee	Hatch	Murray
Coats	Helms	Nickles
Cochran	Hollings	Reid
Collins	Hutchinson	Robb
Coverdell	Hutchison	Roth
Craig	Inhofe	Santorum
D'Amato	Kempthorne	Sessions
DeWine	Kerry	Shelby
Domenici	Kohl	Smith (NH)
Faircloth	Kyl	Smith (OR)
Feingold	Landrieu	Snowe
Feinstein	Lautenberg	Specter
Ford	Levin	Stevens
Frist	Lieberman	Thompson
Gorton	Lott	Thurmond
Graham	Mack	Torricelli
Gramm	McCain	Wyden
Grassley	McConnell	
Gregg	Murkowski	

NOT VOTING—3

Bingaman	Glenn	Jeffords

The motion to lay on the table was rejected.

The PRESIDING OFFICER. The question is on agreeing to the second-degree amendment.

The amendment (No. 3160) was agreed to.

AMENDMENT NO. 3158, AS AMENDED

The PRESIDING OFFICER. The question is on the first-degree amendment, as amended.

The yeas and nays have been ordered.

Mr. DODD. Mr. President, I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The question is on agreeing to the first-degree amendment, as amended.

The amendment (No. 3158) as amended, was agreed to.

AMENDMENT NO. 3161

(Purpose: To ensure the continued viability of livestock producers and the livestock industry in the United States)

Mr. KERREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY], for himself, Mr. BURNS, Mr. DASCHLE, Mr. JOHNSON, Mr. CONRAD, Mr. DORGAN, Mr. WELLSTONE, Mr. BAUCUS, and Mr. HARKIN, proposes an amendment numbered 3161.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 67, after line 23 add the following:

SEC. 7___. LIVESTOCK INDUSTRY IMPROVEMENT.

(a) DOMESTIC MARKET REPORTING.—

(1) IN GENERAL.—Section 203(g) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(g)) is amended—

(A) by striking ''(g) To'' and inserting the following:

''(g) COLLECTION AND DISSEMINATION OF MARKETING INFORMATION.—

''(1) IN GENERAL.—The Secretary shall''; and

(B) by adding at the end the following:

''(2) DOMESTIC MARKET REPORTING.—

''(A) MANDATORY REPORTING PILOT PROGRAM.—

''(i) IN GENERAL.—The Secretary shall conduct a 3-year pilot program under which the Secretary shall require any person or class of persons engaged in the business of buying, selling, or marketing livestock, livestock products, meat, or meat products in an unmanufactured form to report to the Secretary in such manner as the Secretary shall require, such information relating to prices and the terms of sale for the procurement of livestock, livestock products, meat, or meat products in an unmanufactured form as the Secretary determines is necessary to carry out this subsection.

''(ii) NONCOMPLIANCE.—It shall be unlawful for a person engaged in the business of buying, selling, or marketing livestock, livestock products, meat, or meat products in an unmanufactured form to knowingly fail or refuse to provide to the Secretary information required to be reported under subparagraph (A).

''(iii) CEASE AND DESIST AND CIVIL PENALTY.—

''(I) IN GENERAL.—If the Secretary has reason to believe that a person engaged in the business of buying, selling, or marketing livestock, livestock products, meat, or meat products in an unmanufactured form is violating the provisions of subparagraph (A) (or regulation promulgated under subparagraph (A)), the Secretary after notice and opportunity for hearing, may make an order to cease and desist from continuing the violation and assess a civil penalty of not more than $10,000 for each violation.

''(II) CONSIDERATIONS.—In determining the amount of a civil penalty to be assessed under clause (i), the Secretary shall consider the gravity of the offense, the size of the business involved, and the effect of the penalty on the ability of the person to continue in business.

''(iv) REFERRAL TO ATTORNEY GENERAL.—If, after expiration of the period for appeal or after the affirmance of a civil penalty assessed under clause (iii), the person against whom the civil penalty is assessed fails to pay the civil penalty, the Secretary may refer the matter to the Attorney General, who may recover the amount of the civil penalty in a civil action in United States district court.

''(B) VOLUNTARY REPORTING.—The Secretary shall encourage voluntary reporting by persons engaged in the business of buying, selling, or marketing livestock, livestock products, meats, or meat products in an unmanufactured form that are not subjected to a mandatory reporting requirement under subparagraph (A).

''(C) AVAILABILITY OF INFORMATION.—The Secretary shall make information received under this paragraph available to the public only in a form that ensures that—

''(i) the identity of the person submitting a report is not disclosed; and

''(ii) the confidentiality of proprietary business information is otherwise protected.

''(D) EFFECT ON OTHER LAWS.—Nothing in this paragraph restricts or modifies the authority of the Secretary to collect voluntary reports in accordance with other provisions of law.''.

(2) TECHNICAL AMENDMENT.—Section 203 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622) is amended—

(A) by striking ''The Secretary is directed and authorized:''; and

(B) in the first sentence of each of subsections (a) through (f) and subsections (h) through (n), by striking ''To'' and inserting ''The Secretary shall''.

(b) PROHIBITION ON NONCOMPETITIVE PRACTICES.—Section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), is amended—

(1) in subsection (g), by striking the period at the end and inserting ''; or''; and

(2) by adding at the end the following:

''(h) Engage in any practice or device that the Secretary by regulation, after consultation with producers of cattle, lamb, and hogs, and other persons in the cattle, lamb, and hog industries, determines is a detrimental noncompetitive practice or device relating to the price or a term of sale for the procurement of livestock or the sale of meat or other byproduct of slaughter.''.

(c) PROTECTION OF LIVESTOCK PRODUCERS AGAINST RETALIATION BY PACKERS.—

(1) RETALIATION PROHIBITED.—Section 202(b) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(b)), is amended—

(A) by striking ''or subject'' and inserting ''subject''; and

(B) by inserting before the semicolon at the end the following: '', or retaliate against any livestock producer on account of any statement made by the producer (whether made to the Secretary or a law enforcement agency or in a public forum) regarding an action of any packer''.

(2) SPECIAL REQUIREMENTS REGARDING ALLEGATIONS OF RETALIATION.—Section 203 of the Packers and Stockyards Act, 1921 (7 U.S.C. 193), is amended by adding at the end the following:

''(e) SPECIAL PROCEDURES REGARDING ALLEGATIONS OF RETALIATION.—

''(1) CONSIDERATION BY SPECIAL PANEL.—The President shall appoint a special panel consisting of 3 members to receive and initially consider a complaint submitted by any person that alleges prohibited packer retaliation under section 202(b) directed against a livestock producer.

''(2) COMPLAINT; HEARING.—If the panel has reason to believe from the complaint or resulting investigation that a packer has violated or is violating the retaliation prohibition under section 202(b), the panel shall notify the Secretary who shall cause a complaint to be issued against the packer, and a hearing conducted, under subsection (a).

''(3) EVIDENTIARY STANDARD.—In the case of a complaint regarding retaliation prohibited under section 202(b), the Secretary shall find that the packer involved has violated or is violating section 202(b) if the finding is supported by a preponderance of the evidence.''.

(3) DAMAGES FOR PRODUCERS SUFFERING RETALIATION.—Section 203 of the Packers and Stockyards Act, 1921 (7 U.S.C. 193) (as amended by subsection (b)), is amended by adding at the end the following:

''(f) DAMAGES FOR PRODUCERS SUFFERING RETALIATION.—

''(1) IN GENERAL.—If a packer violates the retaliation prohibition under section 202(b), the packer shall be liable to the livestock producer injured by the retaliation for not more than 3 times the amount of damages sustained as a result of the violation.

''(2) ENFORCEMENT.—The liability may be enforced either by complaint to the Secretary, as provided in subsection (e), or by suit in any court of competent jurisdiction.

''(3) OTHER REMEDIES.—This subsection shall not abridge or alter a remedy existing at common law or by statute. The remedy provided by this subsection shall be in addition to any other remedy.''.

(d) REVIEW OF FEDERAL AGRICULTURE CREDIT POLICIES.—

The Secretary of Agriculture, in consultation with the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Board of the Farm Credit Administration, shall establish an interagency working group to study—

(1) the extent to which Federal lending practices and policies have contributed, or are contributing, to market concentration in the livestock and dairy sectors of the national economy; and

(2) whether Federal policies regarding the financial system of the United States adequately take account of the weather and price volatility risks inherent in livestock and dairy enterprises.

Mr. KERREY. Mr. President, I rise today to discuss the financial crisis growing in our rural economy and to send an amendment to the desk.

Nebraska's farmers and farm communities are confronting a series of events—most of them completely out of their control—that will lead most of them to lose money this year and may drive a fair share out of business. I have been meeting with groups of farmers for as long as I have been in the Senate, and the message I hear resounding across Nebraska is that the situation is very grim.

This is a clear case of a situation in which families won't have a shot at the American dream if we don't put the law on their side.

These events are a good reminder of why agriculture is such a precarious business to be in. Farmers are entrepreneurs who operate small businesses that manufacture their product outdoors. And on top of the always risky proposition of dealing with mother nature, this year our farmers are dealing with grain and livestock prices at their lowest levels in more than a decade, land rental prices that have increased by an average of 37%, a cost of living—particularly for health insurance—that keeps going up, even when commodity prices keep falling, and a rail transportation problem that will almost certainly leave record bushels of grain on the ground across middle America again this year.

And I haven't even mentioned the event over which farmers have the least control—the economies of foreign countries. Nebraska sends a third of its agricultural exports to Asia. Or rather, we used to. With more than 60 million people now living on less than a dollar a day in Indonesia, those markets in Asia are gone.

Many ''experts'' suggest that the key to a profitable farming operation is diversification. But when every major sector of production agriculture is operating at a loss—from corn to cattle to wheat to hogs—my farmers find that diversification is simply a decision of what to grow that will lose the least.

What is most troubling to me about the financial crisis in rural America is that it comes at a time of unprecedented economic success for the rest of the country. But make no mistake: trouble in rural America will not stay confined to the farm. When Nebraska farmers lose money, Omaha laborers find themselves with less work and it will happen on a nationwide scale, too. Though less so now than in the past, the United States remains an agriculture-based economy. Agriculture is our only sector that runs a trade surplus. In Nebraska, it accounts for one of every four jobs.

So I come to the floor today to issue a wake up call to the Senate. It doesn't matter what you call it—a crisis, a disaster, or just plain misfortune—family based agriculture in America is in grave danger. And there is no one who can act to preserve family based agriculture but us. The Secretary of Agriculture cannot do it and the U.S. Trade Representative cannot do it. If we believe in the value of family based agriculture, this Congress must act to preserve it ourselves.

Under the leadership of Senator DASCHLE, we are bringing a number of amendments to the floor that will help farmers regain a measure of profitability this year. These amendments are reasonable and I believe that the Senate will recognize that they strengthen the existing farm law, rather than weaken it. And I hope that in a spirit of bipartisanship, we can agree that if we add these amendments to the farm bill we can make it work for our farmers.

I am sending one of those amendments to the desk now. This amendment would try to improve market conditions in the livestock industry by mandating reporting requirements.

We have price spreads between retail beef prices and the price paid to producers that are at record levels. We all know what happens when the price of crude oil goes down—we pay less for gas at the pump. But although the price of cattle has dropped precipitously, beef is still the same price if not higher at the supermarket. That defies logic and it says to me that something does not work in the cattle market. We have an amendment that would address that.

This amendment will restore transparency to livestock markets by mandating the price reporting of live cattle and boxed beef.

The cattle feeding industry is in an extended period of sharply negative feeding margins, with losses of about $100 per head.

Earlier this year, hog prices sank to a 26-year low.

But at the same time, consumer prices at the retail level remain unchanged.

Producers are concerned that there is not enough information to determine fair market prices for livestock, and this price reporting amendment will change that.

Common sense tells us that complete price information is vital to an efficient market. But the majority of cattle are now sold under secret pricing deals, and those transactions are not recorded in the cash market.

The lack of transparency in the market creates the potential for exploitation, and we must act to stop that. My democratic colleagues support this approach and I am optimistic that Republicans can support this amendment, as well.

So I hope that we will come together in a bipartisan way this week and pass these measures to help alleviate the financial crisis occurring in rural America. For we have a great deal at stake here, and it is more than just a partisan quibble over whether or not to make changes in a law.

At stake is the preservation of family based agriculture and whether or not Congress has the good sense and the courage to step in while there is still time. For all of our sakes, I hope we do.

Mr. President, this is a very simple amendment that authorizes the Secretary of Agriculture to conduct a 3-year pilot program in mandatory price reporting so that we can get a true market in the cattle industry. It has been long debated by the Agriculture Committee. I think most Members have pretty well made up their minds on it.

I yield to the distinguished Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, the amendment allows the head of the stockyards division to look into a way to set up mandatory price reporting. Right now, we only have one segment of the chain in the cattle market that is doing any price discovery at all; that is at the auction market. When cattle changes hands in feedlots and packing houses, these prices are not reported, or they go unreported for a week. We cannot make marketing decisions if you are producing replacement cattle while doing business like that. I suggest the adoption of this amendment.

Mr. DASCHLE. Mr. President, I commend the distinguished Senator from Nebraska and the Senator from Montana for this amendment.

We have a very serious situation with regard to price transparency. Can you imagine going into a store and not knowing the price? Can you imagine a retailer going into the market and not knowing what the prevailing price is?

What these two Senators are doing is simply asking that we have a pilot project to be able to decide if there is a way by which to better describe prices and a way to bring about price transparencies so producers and retailers or anybody has a better understanding of what the market is.

If you really believe in a free market, you will support this pilot project because it simply allows the free market to do its work.

Mr. President, I am deeply disturbed by the number of small to medium-sized producers going out of business in our states, and by mounting evidence that anti-competitive forces within the livestock market are contributing to this trend of shrinking income.

This amendment offered by Senator KERREY will help end the secret livestock deals that are driving small to medium-sized producers out of business in our states, by requiring that they report the prices they pay for live cattle.

This in turn will assure that the market price accurately reflects the real value of livestock, in other words increases market transparency.

In South Dakota, smaller livestock producers are leaving the industry literally by the hundreds.

According to South Dakota State University, in the past five years South Dakota has lost over 1,000 of our smaller cow/calf operators, and over 800 small feedlots.

Not only do these losses cripple rural communities, they threaten the vitality of the agriculture industry itself.

Small business plays an essential role in any market; it is small business that can respond most rapidly to changing consumer demand, and small business that is most likely to innovate and meet the preferences of niche markets.

As packers and feedlots continue to merge, as smaller operations go out of business, and as producers face progressively fewer markets for their production, we lose an important segment of the industry.

The result will be a less diverse, less responsive marketplace.

Increasing market transparency is essential to ensuring our producers at least have a chance to compete.

I appreciate that USDA publishes voluntarily reported price information, but we need to do more.

The contract prices that currently are not reported may have market distorting effects because reported cash prices do not reflect true market conditions.

Formula pricing, captive supplies, and vertical integration all contribute to transactions off of the cash market, and severely impede many producers' ability to compete.

This amendment would ensure, on a test basis, that all livestock prices are reported.

This means producers and feedlots will know that the market price accurately reflects the prices being paid in private transactions.

This is the way the free market is supposed to work.

The majority of producers who talk to me about conditions in the industry today simply say they want a fair shake.

They want a chance to work hard to produce a high quality product and to sell it for a fair price.

We expect our foreign markets to be open and fair so that we can compete abroad. Producers absolutely should be able to expect the same of our domestic markets.

Producers and farm organizations have been saying for some time that as prices and terms of trade become increasingly limited, there isn't enough information available to determine the fair market price for livestock.

I continue to hear that not only is complete price information vital to an efficient market, but also that it may reduce the potential for exploitative relationships in the industry.

This is an important, reasonable step to take on behalf of our small livestock producers.

If we care about small business, if we care about the rural communities they serve, if we care about having a fair and open marketplace in agriculture, we will pass Senator KERREY's amendment.

I hope that on a bipartisan basis we can support this amendment.

I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, with some reluctance, I oppose the amendment offered by the distinguished Senator from Nebraska. I do so because the industry is not for this amendment. The National Cattlemen's Beef Association has written a letter in opposition to the amendment. And just one word of that letter says the following. They refer to the Daschle amendment. This is the same amendment dealing with mandatory live cattle price reporting:

> These amendments are not fair and equitable to beef producers, and many of these provisions are counter to our producers' policies.

I ask unanimous consent that a copy of the total letter from the National Cattlemen's Beef Association be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL CATTLEMEN'S BEEF ASSOCIATION,
Washington, DC, July 14, 1998.

Hon. LARRY E. CRAIG,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR CRAIG: S. 2159, the Agricultural Appropriations bill, will soon be considered on the Senate floor. The National Cattlemen's Beef Association strongly supports increasing funding for essential programs such as food safety research and cooperative extension, emerging animal disease research, the Market Access Program and the Grazing Lands Conservation Initiative.

In addition to these priorities, there are a number of the proposed amendments to this bill that have the potential to affect America's cattle producers. The National Cattlemen's Beef Association supports the following amendments to S. 2159:

Johnson (D–SD)/Craig (R–ID) amendment would require labeling of retail meat as either U.S. product or imported product. This provision addresses frustrations among U.S. producer who question why livestock imported into the U.S. for immediate slaughter are marketed as U.S. product. The proposed language is consistent with U.S. responsibilities and commitments to the General Agreement on Tariffs and Trade and the North American Free Trade Agreement. Consumers demand quality and consistency, and producers are continually working to meet consumer demands. Import labeling will help differentiate products in the retail meat case and increase competition among product lines. With labeling, consumers will have the ability to make more informed purchases.

Hatch (R–UT) amendment would allow for the interstate shipment and sale of state inspected meat provided that the state inspection process meets or exceeds federal inspection standards. State-inspected beef, pork and poultry are the only food products banned from interstate distribution. This provision also provides an additional incentive for state inspected meat plants to implement Hazard Analysis and Critical Control Point (HACCP) methods. The time is right for Congress to address this unjust policy that discriminates against thousands of small business owners.

Lugar (R–IN) amendment and the Roberts (R–KS)/Robb (D–VA) amendment would require thorough evaluation of international trade sanction. International trade sanctions are stifling to beef export sales and the entire U.S. economy. While sanctions are sometimes necessary, these measures should undergo thorough scrutiny to ensure they are meeting their intended goals.

The nation's cattle industry opposes the following proposed amendments to S. 2159:

Daschle (D–SD) amendment dealing with mandatory live cattle price reporting, packer concentration, and nonemergency haying and grazing on Conservation Reserve Program acreage. These amendments are not fair and equitable to beef producers and many of these provisions are counter to our producers' policy.

Bryan/Reid (D–NV) amendment would eliminate funding for the $90 million Market Access Program (MAP). MAP is crucial to maintaining, developing and expanding agricultural export markets. Eliminating this program would be a huge step back for American agriculture.

Brownback (R–KS) amendment would seriously restrict the Agriculture Census. Data provided by the Agriculture Census is crucial to farmers and ranchers who need the best information available to make timely, informed decisions.

Leahy (D–VT)/Santorum (R–PA) amendment would cap the amount of money available to the Wetlands Reserve Program and earmark this savings for the Farmland Protection Program.

Daschle (D–SD) loan rate amendment, Baucus (D–MT) loan rate amendment and the Conrad/Dorgan (D–ND) indemnity payment amendment changes farm bill policies. The National Cattlemen's Beef Association strongly opposes any amendment that would significantly change ''Freedom to Farm'' policy.

Bennett (R–UT) amendment would prohibit the Commodities Futures Trading Commission's (CFTC) ability to regulate over-the-counter trades and derivatives. CFTC's ability to ensure open and accurate price discovery is paramount to beef producers.

On behalf of over one million beef producers from across the country, we appreciate your consideration of these issues that are crucial to America's cattle industry. If you have questions or you would like to discuss any of these issues further, please contact our office at (202) 347–0228.

Sincerely,

G. CHANDLER KEYS, III,
Vice President, Public Policy.

Mr. COCHRAN. Mr. President, the American Meat Institute points out in a letter to me that this amendment is not a good idea in a free economy, and you don't need a pilot program to learn that. It does not add information so much as it burdens industry and compromises legitimate business interests.

In the Department of Agriculture, there is opposition to the amendment. They say that it reports already 75 percent or more of the 40 to 50 percent of boxed beef sales that comply with the reporting criteria. The Department estimates that more than two-thirds of the live negotiated cattle sales are reported.

I might conclude by pointing out that no other segment of agriculture has to undergo mandatory reporting of all private business transactions. This

pilot program will only add more burden on the industry and it compromises legitimate business interests.

I suggest that the amendment should be defeated.

Several Senators addressed the Chair.

Mr. COCHRAN. It is my intention to move to table, but I will withhold the motion to table the Kerrey amendment and to ask for the yeas and nays.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, just so there is no mistake in here, the administration, the Department of Agriculture, strongly supports this amendment.

Again, let me remind my colleagues that this is a pilot project. It is an opportunity to see whether it works. We want to see the opportunity for price transparency. Let us know what the market price produces. Let's see what the prices are going to be to give and take between processors and producers. That is what this study is all about.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mrs. BOXER. The Senate is not in order, Mr. President.

Mr. LOTT. Mr. President, if the manager will withhold for a minute, this will be the last vote of the night. We hope to take up the Grassley amendment the first thing in the morning, with the first vote hopefully occurring at 10:30, although that has not been worked out. This will be the last vote of the night.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask unanimous consent that a copy of the letter from the American Meat Institute, the letter that I referred to, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN MEAT INSTITUTE,
Washington, DC, June 18, 1998.

Hon. THAD COCHRAN,
U.S. Senate, Washington, DC.

DEAR THAD COCHRAN: Some Members who are concerned about USDA-reported market prices for meat may offer an amendment to the pending Agriculture, Rural Development, Food and Drug Administration Appropriations Bill that would establish a pilot program on mandatory price reporting. AMI strongly opposes such a program. I respectfully request that you raise a point of order opposing any attempt to amend the bill with a pilot price-reporting program.

As I testified in the June 10 Senate Agriculture Committee hearing, voluntary reporting by industry currently captures a significant share of what is happening in today's market. On the boxed beef side; for instance, USDA estimates it reports 75 percent or more of all boxed beef sales that comply with the department's reporting criteria. A similar reporting situation exists on the live cattle side, where USDA estimates it captures and reports on more than two-thirds of all negotiated sales.

Mandatory reporting of all private business transactions between parties does not exist in any other segment of agriculture. It is not a good idea in a free economy, and you don't need a pilot program to learn that. It does not add information so much as it burdens industry and compromises legitimate business interests. As you know, USDA reporting criteria are designed to enhance the reporting of information that is meaningful to the market.

Sincerely,

J. PATRICK BOYLE,
President, CEO.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, while it is true that the packers and many of the processing industry do not like the idea of having to disclose prices and bidding, you would be hard-pressed to find a single rancher or cattle feeder in the United States of America who opposes this amendment. This is a pilot program. It will make the market work better. There are only three packers in America controlling approximately 80 percent of the market today. That is why this amendment is needed.

I say to colleagues who want the free market to work and like the marketplace, go talk to your feeders. Go talk to the people who are out there ranching right now. They want to know what the prices are in order to get full price discovery so that they are able to know whether or not they are getting the best price for their product. It is true that the packing industry and many processors do not like this requirement. But, as I said, again you would be hard-pressed to find a single feed lot operator or rancher in America who will not support this change in law.

Mr. COCHRAN. Mr. President, the first letter that I read an excerpt from was from the American Cattlemen's Association. They represent all the beef cattlemen, many of them, throughout the country.

Mr. KERREY. Mr. President, that letter comes on behalf of people who are in the packing industry. I just tell colleagues that if you have ranchers or feed lot operators in your State, they support the change. There is a division in this particular association that comes as a consequence of packers being a part of this association. I don't object to the packers at all. I believe this change will enable them to be profitable. It doesn't shut them down at all. It merely says they have no surprise when they bid on the cattle in the marketplace.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield to the distinguished Senator from Idaho.

Mr. GRAMM. Mr. President, could we have order. This is a very important issue for people.

The PRESIDING OFFICER. We will have order in the body.

The Senator from Idaho.

Mr. CRAIG. Mr. President, the National Cattlemen's Beef Association does not represent the feeders. It represents the rank and file rancher, large and small, across our Nation. This letter says they oppose the amendment. It is very clearly, very clearly stated.

We developed a futures market not only to look at current but future prices. Most of the livestock industry today effectively operates off of that and the market trends.

Would I like to see more transparency? We all would like to see it. Does a government system and new government regulations dictating it cause it? The marketplace causes it. But this is a pilot program. Like it or not, it is new regulations in the process.

As a former rancher, as a former cattle feeder, I will tell you this is a new set of Government regulations that may resolve the question for a very small number of operators. But for the industry itself—large, small, packer, feeder, producer, cow-calf operator—this is not for what they are asking. I don't believe it is the effective way to do it. I hope you would support a motion to table.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. I was going to move to table, but I understand the Senator from Montana wishes to speak.

Mr. BURNS. Mr. President, I just want to make one point. You have three packers that are handling 85 percent of the national cattle that are killed today. And they don't want to report the prices so that the people who produce calves and replacement cattle and feed cattle in the feed lots, the individual producers, or a small packer, can compete with them. It doesn't make sense. We have always reported those prices. And now, with a lot of packer-owned cattle moving in there, we get no information at all.

Let's look at this pilot program. Let's work with the postmarketing surveillance. We can come up with some way to report these prices so that we know what these cattle are worth all the way back to the ranch.

I urge the adoption of the amendment.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I want to say amen to the Senator from Montana.

Mr. COCHRAN. Mr. President, I move to table the amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. All time is yielded. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to lay on the table the amendment of the Senator from Nebraska. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Mexico (Mr. BINGAMAN)

and the Senator from Ohio (Mr. GLENN) are necessarily absent.

The result was announced—yeas 49, nays 49, as follows:

[Rollcall Vote No. 205 Leg.]

YEAS—49

Abraham	Faircloth	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Graham	Nickles
Bond	Gramm	Roberts
Breaux	Gregg	Roth
Brownback	Hatch	Sessions
Campbell	Helms	Shelby
Chafee	Hutchinson	Smith (NH)
Coats	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Jeffords	Specter
Coverdell	Kempthorne	Thompson
Craig	Kyl	Thurmond
D'Amato	Lott	Warner
DeWine	Lugar	
Domenici	Mack	

NAYS—49

Akaka	Ford	Mikulski
Baucus	Grams	Moseley-Braun
Biden	Grassley	Moynihan
Boxer	Hagel	Murray
Bryan	Harkin	Reed
Bumpers	Hollings	Reid
Burns	Inouye	Robb
Byrd	Johnson	Rockefeller
Cleland	Kennedy	Santorum
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Stevens
Dodd	Kohl	Thomas
Dorgan	Landrieu	Torricelli
Durbin	Lautenberg	Wellstone
Enzi	Leahy	Wyden
Feingold	Levin	
Feinstein	Lieberman	

NOT VOTING—2

Bingaman	Glenn

The motion to lay on the table the amendment (No. 3161) was rejected.

Mr. DASCHLE. Mr. President, I move to reconsider the vote.

Mr. KERREY. I move to table.

The motion to lay on the table was agreed to.

THE PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3161) was agreed to.

Mr. KERREY. Mr. President, I move to reconsider the vote.

Mr. DASCHLE. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, the yeas and nays are vitiated.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the remaining amendments that we have identified to complete action on tonight were the Johnson amendment regarding meat labeling and the Graham amendment regarding disaster assistance. We are prepared to recommend that the Senate accept those amendments, along with other amendments that have been cleared by the two managers. I am prepared to ask unanimous consent that we accept those amendments en bloc, those that we have identified, and include statements in the RECORD describing the amendments.

Mr. President, Senator GRAHAM is here. We could do his amendment first. We are prepared to accept it, and then the other list of amendments we will do en bloc if there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Florida.

AMENDMENT NO. 3162

(Purpose: To appropriate funds for certain programs to provide assistance to agricultural producers for losses resulting from drought or fire)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself and Mr. MACK, proposes an amendment numbered 3162.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, after line 21, add the following:

DISASTER ASSISTANCE

For necessary expenses to provide assistance to agricultural producers in a county with respect to which a disaster or emergency was declared by the President or the Secretary of Agriculture by July 15, 1998, as a result of drought and fire, through—

(1) the forestry incentives program established under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.), $9,000,000;

(2) a livestock indemnity program carried out in accordance with part 1439 of title 7, Code of Federal Regulations, $300,000;

(3) the emergency conservation program authorized under sections 401, 402, and 404 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201, 2202, 2204), $2,000,000; and

(4) the disaster reserve assistance program established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a), $10,000,000; to remain available until expended: *Provided*, That the entire amount shall be available only to the extent that the President submits to Congress an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.): *Provided further*, That the entire amount of funds necessary to carry out this paragraph is designated by Congress as an emergency requirement under section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

Mr. GRAHAM. Mr. President, members of the Senate, today I join my colleague, Senator MACK, in offering an amendment to the Agriculture Appropriations bill that will provide much needed relief to agriculture in the State of Florida in the wake of the extreme drought and severe wildfires that have plagued our State in the last two months.

The fire crisis is the latest example of our State's meteorological reversal of fortune in 1998. Florida's hot summer temperatures are typically accompanied by afternoon thunderstorms and tropical weather. This year's heat and drought, and the lush undergrowth and foliage that sprung up in the wake of Florida's unusually wet winter, combine to fuel the fires that have put the State under a cloud of smoke and chased nearly 112,000 residents from their homes, 2,000 of them into emergency shelters.

These fires have had severe consequences. More than 220 homes, businesses, or buildings have been destroyed or heavily damaged. Nearly 100 individuals, mostly brave firefighters battling the blazes, have been injured. A 140-mile stretch of Interstate 95 was closed for several days. 458,000 acres of land have burned.

Florida has sustained almost $300 million in damage. In a step never before taken in Florida's long history with violent weath, every one of the 45,000 residents of Flagler County—a coastal area between Jacksonville and Daytona Beach—had to be evacuated from their homes over the Independence Day weekend.

On June 19, 1998, President Clinton declared all 67 Florida counties as a major disaster area and made them eligible for immediate federal financial assistance. In the weeks that followed that declaration, FEMA officials skillfully coordinated relief efforts and worked hard to channel additional aid to the hardest hit areas.

Both the fires and their original cause, the extreme drought throughout the state, have contributed to a drastic impact on Florida agriculture, particularly in the North and West areas of the State. 600,000 acres of summer crops were destroyed or severely damaged by the drought conditions. Hardest hit has been corn which has suffered a 100 percent low on about 80,000 acres and 50 percent yield loss on another 20,000 acres. Value of the lost corn crops as of June 22, 1998, was identified to be $20 million. Cotton, peanuts, soybeans, and watermelons have suffered 25 to 30 percent losses.

At the end of June, virtually none of the $60 million hay crop was harvested, causing the potential for a major shortage of winter feed even when the drought subsides.

In the Panhandle area, many of the 7,000 farmers are facing their third straight year of destructive weather conditions after tropical storms and hurricanes in 1996 and 1997. In this region alone, farmers have invested more than $100 million in borrowed money to plant this year's crop, only to find themselves with no prospect of harvest at this time.

In response to this dire situation, on July 9, 1998, Secretary Glickman declared the state of Florida to be an Agriculture Disaster area, making agriculture in Florida eligible for federal financial assistance.

This declaration makes Florida agriculture eligible for several Department of Agriculture programs including:

(1) the Emergency Loan Program which provides assistance to family farmers, ranchers, and aquaculture operators with loans to cover losses resulting from natural disasters.

(2) the Non-Insured Crop Disaster Assistance Program (NAP) which provides assistance to eligible owners of non-insured crops when a natural disaster causes a catastrophic loss of production; and

(3) the Emergency Conservation Program which provides assistance to farmers fro the purpose of performing emergency conservation measures to control wind erosion, to rehabilitate farmlands damaged by natural disasters, and to carry out emergency water conservation measures.

These programs will provide vital assistance to the Florida agriculture community. However, there are some needs of Florida in the wake of this disaster that are not addressed by existing programs.

First, in the area of forestry, we currently have almost 500,000 acres that were completely destroyed. To provide assistance for reforestation in this type of situation, the Department of Agriculture has created the Forestry Incentive Program which authorizes USDA to share up to 65% of the costs of tree planting, timber stand improvements, and related practices on nonindustrial private forest lands. In the state of Florida, there are over 7 million acres in this ownership class equal to 49% of our state's timberland. To support this need, Senator MACK and I have proposed an emergency appropriation of $9 million to be expended over the next 3 years to spur the rebirth of the Florida forests.

Second, in the area of livestock, the state of Florida is suffering in two ways. We have had a small number of livestock deaths and are experiencing a widespread food shortage due to drought and fire. To compensate livestock owners for livestock deaths attributable to the natural disaster, my colleague and I are requesting an emergency appropriation of $300,000 for the Livestock Indemnity Program. Many of you are familiar with this program as it has provided support for livestock casualties in many of your states. This program will provide benefits in the state of Florida to beef and dairy cattle, swine, goats, poultry, equine animals used for the production of food, and ostrich.

The need for livestock feed is a long-term issue that is affecting 32 counties with approximately 1,073,000 head of cattle, with severe problems with approximately 750,000 head. In the state of Florida, the majority of dairy and beef producers grow their own hay on individual farms for future use as cattle feed. The majority of these hays are seasonal, with a growing season spanning approximately 7 to 8 months. During the 2–3 months of severe flooding followed by severe drought and subsequent fire, approximately 1.5 million acres of pastureland has been completely destroyed, leaving approximately 1.1 million cattle with the threat of malnutrition leading to decreased dairy production and substandard beef production. Extension specialists estimate a need for 30 million pounds of roughage a day for Florida cows with only 15 million pounds per day available from current pasture production even with welcomed rains on part of the state. These producers desperately need assistance in order to provide adequate feed grain for their livestock.

The state of Florida is fortunate to have received approximately 170 truckloads of feed that have been donated from Oregon, Kentucky, Illinois, Virginia, Delaware and Maryland, although only 82 tons have been delivered to producers from South Carolina, Tennessee, and North Carolina due to lack of transportation. While this feed would provide a starting point for renourishment of livestock, there are no funds available to transport it.

To combat this situation, Senator MACK and I are introducing in this amendment a request for $10,000,000 for the Disaster Relief Assistance Program to be used in support of a livestock feed program providing reimbursement for feed purchase or transport for over 1.1 million head of cattle. Prior to 1996, the Emergency Feed Assistance Program was the primary user of the DRAP, providing 25,716,113 bushels between 1984 and 1996. This program was suspended by the 1996 Farm Bill.

Finally, we are requesting an additional $2,000,000 for the Emergency Conservation Program (ECP) in support specifically of conservation. For example, in the state, there are currently approximately 390 miles of destroyed fences in just 3 counties from fires resulting in potentially 12,000 cows roaming outside of home pasturelands.

Mr. President, and fellow members of Congress: I ask that you give full consideration to this amendment and the dire needs of agriculture in the state of Florida as we seek to recover from the devastating effects of this year's drought and fire.

Mr. President, unfortunately, the Nation and the world are aware of the very severe circumstances through which Florida has recently suffered and continues, fortunately in a less degree, to suffer, as a result of drought and severe wildfires. The purpose of this amendment is to restore various accounts within the U.S. Department of Agriculture that are intended to provide disaster assistance and makes that assistance available to those areas which have been designated, as of July 15, 1998, to be agricultural disaster areas.

I urge the adoption of this amendment on behalf of myself and my colleague, Senator MACK.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the Department of Agriculture advises us that they cannot at this time verify whether available disaster money has been depleted. I understand this has been a devastating disaster for Florida and that other areas of the country have also been affected by various disasters. We will work with the administration and the House conferees to address the needs of the areas affected by these recent disasters and to determine whether these needs are being met through available funds.

It is my hope that the Department of Agriculture and the Office of Management and Budget are assessing the need for additional funding to meet the needs resulting from these most recent disasters and that the President will soon submit to the Congress requests for supplemental funds which are determined to be required.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3162) was agreed to.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENTS NOS. 3163 THROUGH 3170, EN BLOC

Mr. COCHRAN. Mr. President, the Senator from Arkansas and I have reviewed a number of amendments and have agreed to recommend the Senate accept them. I now ask unanimous consent the following amendments be considered en bloc, agreed to en bloc, the motions to reconsider be laid upon the table: An amendment of the Senator from Georgia, Mr. COVERDELL, on food safety research and E. coli; Senators DEWINE and HUTCHISON, a sense of the Senate on inhalants; Senators HARKIN and GRASSLEY on APHIS biocontainment facilities; Senator COCHRAN, a technical correction on conservation operations; Senators KEMPTHORNE and BAUCUS and others, secondary agriculture education, with a Kempthorne statement for the RECORD; an amendment for Senator BRYAN dealing with the Market Access Program report; another amendment in behalf of Senator GRAHAM of Florida and Senator MACK on the Mediterranean fruit fly; an amendment for Senator JOHNSON on meat labeling.

The PRESIDING OFFICER. Is there objection? Without objection, the clerk will report the amendments by number.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes amendments Nos. 3163 through 3170, en bloc.

The PRESIDING OFFICER. Without objection, the amendments (Nos. 3163 through 3170), en bloc, are agreed to.

The amendments (Nos. 3163 through 3170) agreed to en bloc are as follows:

AMENDMENT NO. 3163

(Purpose: To earmark funding for the food safety competitive research program for research on E.coli: 0157H7)

On page 14, line 17 before the period, insert the following:

"; *Provided*, That of the $2,000,000 made available for a food safety competitive research program at least $550,000 shall be available for research on E.coli:0157H7.

AMENDMENT NO. 3164

(Purpose: To require the Commissioner of Food and Drugs to conduct assessments and take other actions relating to the transition from use of chlorofluorocarbons in metered-dose inhalers, and for other purposes)

At the appropriate place in title VII, insert the following:

SEC. ___. METERED-DOSE INHALERS.

(a) FINDINGS.—Congress finds that—

(1) the Montreal Protocol on Substances That Deplete the Ozone Layer (referred to in this section as the ''Montreal Protocol'') requires the phaseout of products containing ozone-depleting substances, including chloroflourocarbons;

(2) the primary remaining legal use in the United States of newly produced chloroflourocarbons is in metered-dose inhalers;

(3) treatment with metered-dose inhalers is the preferred treatment for many patients with asthma and chronic obstructive pulmonary disease;

(4) the incidence of asthma and chronic obstructive pulmonary disease is increasing in children and is most prevalent among low-income persons in the United States;

(5) the Parties to the Montreal Protocol have called for development of national transition strategies to non-chloroflourocarbon metered-dose inhalers;

(6) the Commissioner of Food and Drugs published an advance notice of proposed rulemaking that suggested a tentative framework for how to phase out the use of metered-dose inhalers that contain chloroflourocarbons in the Federal Register on March 6, 1997, 62 Fed. Reg. 10242 (referred to in this section as the ''proposal''); and

(7) the medical and patient communities, while calling for a formal transition strategy issued by the Food and Drug Administration by rulemaking, have expressed serious concerns that the proposal, if implemented without change, could potentially place some patients at risk by causing the removal of metered-dose inhalers containing chloroflourocarbons from the market before adequate non-chlorofluorocarbon replacements are available.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Food and Drug Administration should, in consultation with the Environmental Protection Agency, assess the risks and benefits to the environment and to patient health of the proposal and any alternatives;

(2) in conducting such assessments, the Food and Drug Administration should consult with patients, physicians, other health care providers, manufacturers of metered-dose inhalers, and other interested parties;

(3) using the results of these assessments and the information contained in the comments FDA has received on the proposal the Food and Drug Administration should promptly issue a rule ensuring that a range of non-chloroflourocarbon metered-dose inhaler alternatives is available for users, comparable to existing treatments in terms of safety, efficacy, and other appropriate parameters necessary to meet patient needs, which rule should not be based on a therapeutic class phaseout approach; and

(4) the Food and Drug Administration should issue a proposed rule described in paragraph (3) not later than May 1, 1999.

AMENDMENT NO. 3165

(Purpose: To provide for the construction of a Federal animal biosafety level-3 containment center)

On page 20, line 7, strike ''expended'' and insert: ''expended: *Provided*, That the Animal and Plant Health Inspection Service shall enter into a cooperative agreement for construction of a Federal large animal biosafety level-3 containment facility in Iowa''.

AMENDMENT NO. 3166

(Purpose: To provide additional funding for conservation operations)

On page 31, line 4, strike ''$638,231,000'' and insert in lieu thereof ''$638,664,000''.

AMENDMENT NO. 3167

(Purpose: To provide funding for a secondary agriculture education program, as authorized by the Federal Agriculture Improvement and Reform Act of 1996)

On page 14, line 5, after the semicolon, insert ''$1,000,000 for a secondary agriculture education program (7 U.S.C. 3152(h);''.

On page 14, line 17, strike ''$436,082,000'' and insert ''$437,082,000.''

On page 35, line 7, strike ''$703,601,000'' and insert ''$702,601,000.''

Mr. KEMPTHORNE. Mr. President, many of my colleagues have come to this floor today to talk about the state of American agriculture. Simply put, we are in a state of emergency.

Whether it be low commodity prices, lack of export markets or too many government restrictions, farmers are facing catastrophes from every angle. If we are truly going to take steps to fix this problem, and not just use short-term fixes, we must to examine and correct the alarming rate at which children are leaving the family farm in pursuit of other occupations.

Wilder, Idaho, is a small town in Idaho known for its fertile soil and exceptional growing conditions. Wilder is also the hometown of Idaho's distinguished governor, Phil Batt. In fact, Phil still lists his occupation as a farmer and can still be seen driving his pickup around the farm periodically. Wilder is also the home of the Churches—Tom and his son Mike. When Mike Church turned 18, he left for one of the most prestigious agriculture universities in the nation, Texas A&M, with the intention of getting his degree in agriculture economics and eventually returning to the land that his family has farmed for generations. Something happened to Mike while at A&M, he decided that he could not follow in his father's footsteps as a farmer. While studying agriculture balance sheets, Mike realized it was becoming more and more difficult for farmers across the country to break even, much less make a profit on their family farm.

It's not that Mike didn't want to farm, the fact is he had worked on the farm since he was a young boy. Mike felt that the future was bleak in farming and had witnessed the struggles that Idaho farmers faced every day on the family farm. It was based on these realizations that Mike decided there was more of a future in speculating the paper commodities as a stockbroker than growing the actual commodities as a farmer. Twenty or thirty years ago it was understood that a son, or sometimes a daughter, would take over the family farm. This is no longer the case.

If we are going to save the American family farm, we must start with the children who live on it. We must inspire the young people in our rural communities, like Wilder, to continue in the field of agriculture. Agriculture is not just about judging the weather anymore; the science of agriculture has become the cutting edge as we continue to compete against farmers in countries around the globe.

This amendment provides much needed funding to an area that can and will inspire those young people to continue in farming. The Agriculture Education Competitive Grants Program would fund a competitive grants program for school-based agricultural education at the high school and junior college levels of instruction. The program was authorized in the 1996 Farm Bill. Competitive grants targeted to school-based agricultural education would be used to enhance curricula, increase teacher competencies, promote the incorporation of agriscience and agribusiness education into other subject matter, like science and mathematics, and facilitate joint initiatives between secondary schools, 2-year postsecondary schools, and 4-year universities.

Most importantly, the program would encourage young people to pursue higher education in the food and agricultural sciences—something in which this country is currently making a failing grade.

Mr. President, we must find a way to keep talented young people like Mike Church in the classroom and on the farm. The agriculture competitive grants program is the first step in that direction. This a bipartisan effort. Senator CRAIG, Senator BAUCUS, Senator JOHNSON, Senator DORGAN, Senator THOMAS, and Senator FAIRCLOTH have all lent their cosponsorship to this amendment. It is through this bipartisan spirit that we can begin to bring the next generation of farmers back to the farm I thank my colleagues for joining in supporting my amendment to fund the Agricultural Education Competitive Grants Program.

AMENDMENT NO. 3168

(Purpose: To require the Secretary of Agriculture to submit to Congress a report concerning the market access program)

On page 67, after line 23, add the following:

SEC. 7. REPORT ON MARKET ACCESS PROGRAM.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture, in consultation with the Comptroller General of the United States, shall submit to the committees of Congress specified in subsection (c) a report that, as determined by the Secretary—

(1)(A) analyzes the costs and benefits of programs carried out under that section in compliance with the cost-benefit analysis guidelines established by the Office of Management and Budget in Circular A–94, dated October 29, 1992; and

(B) in any macroeconomic studies, treats resources in the United States as if the resources were likely to be fully employed;

(2) considers all potential costs and benefits of the programs carried out under that section, specifically noting potential distortions in the economy that could lower national output of goods and services and employment;

(3) estimates the impact of programs carried out under that section on the agricultural sector and on consumers and other sectors of the economy in the United States;

(4) considers costs and benefits of operations relating to alternative uses of the budget for the programs under that section;

(5)(A) analyzes the relation between the priorities and spending levels of programs carried out under that section and the privately funded market promotion activities undertaken by participants in the programs; and

(B) evaluates the spending additionality for participants resulting from the program.

(6) conducts an analysis of the amount of export additionality for activities financed under programs carried out under that section in sponsored countries, controlling for relevant variables, including—

(A) information on the levels of private expenditures for promotion;

(B) government promotion by competitor nations;

(C) changes in foreign and domestic supply conditions;

(D) changes in exchange rates; and

(E) the effect of ongoing trade liberalization;

(7) provides an evaluation of the sustainability of promotional effort in sponsored results for recipients in the absence of government subsidies.

(b) EVALUATION BY COMPTROLLER GENERAL.—The Comptroller General of the United States submit an evaluation of the report to the committees specified in subsection (c).

(c) COMMITTEES OF CONGRESS.—The committees of Congress referred to in subsection (a) are—

(1) the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(2) the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate.

AMENDMENT NO. 3169

(Purpose: To provide additional funding for fruit fly exclusion and detection, with an offset)

On page 19, line 10, before the period, insert the following: ": *Provided further*, That, of the amounts made available under this heading, not less than $22,970,000 shall be used for fruit fly exclusion and detection''.

On page 19, line 23, strike ''$95,000,000'' and insert ''$93,000,000''.

Mr. GRAHAM. Mr. President, this amendment will increase by $2 million the funds available to the Animal and Plant Health Inspection Service in their battle against the Mediterranean Fruit Fly, or medfly. I am, unfortunately, all too familiar with the devastation caused by these tiny pests, and I am particularly concerned this year, because Florida has experienced an unusual number of medfly infestations.

In the past, medflies have caused significant damage to Florida fruit and vegetable crops. This year's infestation is particularly troubling, because it has occurred in the heart of Florida's citrus and tomato growing country. In Lake County, over 1,300 medflies have been detected since the end of April. In Manatee County, over 550 medflies have been detected since the first find in mid-May. In fact, just last week, a medfly was discovered in Highlands County, and as of today, over 100 new flies have been detected in this area.

Unless fully eradicated, the medfly has the potential to cause hundreds of millions of dollars in damage to Florida fruit and vegetable crops. In addition, medfly infestation provides our trading partners with a convenient reason to deny the entry of Florida fresh fruits and vegetables into their country. Florida's growers have spent a considerable amount of time and money in their efforts to gain access to important markets, like Mexico. Each time medflies are discovered in Florida, growers are forced to take a giant step backwards in their markets access efforts.

The eradication efforts themselves, through ground or aerial spraying and the release of sterile medflies, are also expensive, costing the State of Florida and the federal government over $20 million last year.

The funds provided by this amendment will enhance APHIS's efforts to exclude and detect the medfly. Funds will be utilized to increase trapping and detection activities, particularly in urban areas and near ports-of-entry, where the introduction of this pest is most likely. Increasing funds for this program will also help to reassure our trading partners that the U.S. is committed to medfly control, and will deter them from restricting the entry of citrus products and other important agricultural exports.

In conclusion, I would like to make it very clear that this is only the first step in a more comprensive strategy to address this critical problem. Because medflies commonly enter the United States via larval-infested fruit carried through ports-of-entry by travelers or by commercial fruit smugglers, I have asked the Department of Agriculture to undertake an immediate review of their inspection procedures at Florida ports-of-entry, in order to evaluate the effectiveness of the inspection process. The Department of Agriculture has indicated that this review will be completed within the next three to four months. The results of the review will provide us with a roadmap for future actions, including the appropriate funding levels for a fully effective inspection program. I look forward to working closely with the Chairman and Ranking member to find a more permanent solution to this critical problem.

On page 67, after line 23 add the following:

TITLE VIII—MEAT LABELING

SEC. 801. DEFINITIONS.

Section 1 of the Federal Meat Inspection Act (21 U.S.C. 601) is amended by adding at the end the following:

''(w) BEEF.—The term 'beef'' means meat produced from cattle (including veal).

''(x) LAMB.—The term 'lamb' means meat, other than mutton, produced from sheep.

''(y) BEEF BLENDED WITH IMPORTED MEAT.—The term 'beef blended with imported meat' means ground beef, or beef in another meat food product that contains United States beef and any imported meat.

''(z) LAMB BLENDED WITH IMPORTED MEAT.—The term 'lamb blended with imported meat' means ground meat, or lamb in another meat food product, that contains United States lamb and any imported meat.

''(aa) IMPORTED BEEF.—The term 'imported beef' means any beef, including any fresh muscle cuts, ground meat, trimmings, and beef in another meat food product, that is not United States beef, whether or not the beef is graded with a quality grade issued by the Secretary.

''(bb) IMPORTED LAMB.—The term 'imported lamb' means any lamb, including any fresh muscle cuts, ground meat, trimmings, and lamb in another meat food product, that is not United States lamb, whether or not the lamb is graded with a quality grade issued by the Secretary.

''(cc) UNITED STATES BEEF.—

''(1) IN GENERAL.—The term 'United States beef' means beef produced from cattle slaughtered in the United States.

''(2) EXCLUSIONS.—The term 'United States beef' does not include—

''(A) beef produced from cattle imported into the United States in sealed trucks for slaughter;

''(B) beef produced from imported carcasses;

''(C) imported beef trimmings; or

''(D) imported boxed beef.

''(dd) UNITED STATES LAMB.—

''(1) IN GENERAL.—The term 'United States lamb' means lamb, except mutton, produced from sheep slaughtered in the United States.

''(2) EXCLUSIONS.—The term 'United States lamb' does not include—

''(A) lamb produced from sheep imported into the United States in sealed trucks for slaughter;

''(B) lamb produced from an imported carcass;

''(C) imported lamb trimmings; or

''(D) imported boxed lamb.''.

SEC. 802. LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

(a) LABELING REQUIREMENT.—

(1) IN GENERAL.—Section 1(n) of the Federal Meat Inspection Act (21 U.S.C. 601(n)) is amended by adding at the end the following:

''(13)(A) If it is imported beef or imported lamb offered for retail sale as fresh muscle cuts of beef or lamb and is not accompanied by labeling that identifies it as imported beef or imported lamb.

''(B) If it is United States beef or United States lamb offered for retail sale, or offered and intended for export as fresh muscle cuts of beef or lamb, and is not accompanied by labeling that identifies it as United States beef or United States lamb.

''(C) If it is United States or imported ground beef or other processed beef or lamb product and is not accompanied by labeling that identifies it as United States beef or United States lamb, imported beef or imported lamb, beef blended with imported meat or lamb blended with imported meat, or other designation that identifies the percentage content of United States beef and imported beef United States lamb and imported lamb or contained in the product, as determined by the Secretary under section 7(g).''.

(2) CONFORMING AMENDMENT.—Section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620(a)) is amended by adding at the end the following: ''All imported beef or imported lamb offered for retail sale as fresh muscle cuts of beef or lamb shall be plainly and conspicuously marked, labeled, or otherwise identified as imported beef or imported lamb.''.

(b) GROUND OR PROCESSED BEEF AND LAMB.—Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

''(g) GROUND OR PROCESSED BEEF AND LAMB.—

''(1) VOLUNTARY LABELING.—Subject to paragraph (2), the Secretary shall provide by

regulation for the voluntary labeling or identification of ground beef or lamb, other processed beef or lamb products as United States beef or United States lamb, imported beef or imported lamb, beef blended with imported meat or lamb blended with imported meat, or other designation that identifies the percentage content of United States and imported beef or imported lamb contained in the product, as determined by the Secretary.

''(2) MANDATORY LABELING.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), not later than 18 months after the date of enactment of this subsection, the Secretary shall provide by regulation for the mandatory labeling or identification of ground beef or lamb, other processed beef or lamb products as United States beef or United States lamb, imported beef or imported lamb, beef blended with imported meat or lamb blended with imported meat, or other designation that identifies the percentage content of United States and imported beef or imported lamb contained in the product, as determined by the Secretary.

''(B) APPLICATION.—Subparagraph (A) shall not apply to the extent the Secretary determines that the costs associated with labeling under subparagraph (A) would result in an unreasonable burden on producers, processors, retailers, or consumers.''.

(c) GROUND BEEF AND GROUND LAMB LABELING STUDY.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the effects of the mandatory use of imported, blended, or percentage content labeling on ground beef, ground lamb, and other processed beef or lamb products made from imported beef or imported lamb.

(2) COSTS AND RESPONSES.—The study shall be designed to evaluate the costs associated with and consumer response toward the mandatory use of labeling described in paragraph (1).

(3) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall report the findings of the study conducted under paragraph (1) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 803. REGULATIONS.

Not later than 120 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate final regulations to carry out the amendments made by this title.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, as I am sure my distinguished colleague, the Chairman of the Subcommittee, is aware, the Food and Drug Administration Modernization Act (FDAMA) included a significant provision related to FDA's review and approval of indirect food additives. For the benefit of my colleagues, these are products that are used for containers, wrappings and packaging of food products.

To ensure the safety of indirect food additives, these materials that touch or contain food, the Food and Drug Administration (FDA) must receive safety data submitted by the manufacturer. Often, FDA's process of evaluating these data has been extremely lengthy and has worked to delay the market availability of new and improved products. As a result, many companies have chosen simply not to bring new products to market, thus depriving the public of improvements in products and technology.

In order to address this concern, a provision was included in FDAMA which requires the FDA to establish a new and expedited new product notification and review process that will substantially improve the situation for manufacturers of indirect food additives and thus the consumers of packaged food products. However, under section 309 of FDAMA, the provision will only become effective if the FDA receives an appropriation of $1.5 million for FY 1999. Subject to this new appropriation, FDA would be required to set the program in motion by April 1, 1999.

I am aware that the House mark does include funding for the indirect food additive pre-market notification program, but at a level of $500,000. While this certainly indicates the intention and willingness of the House to fund the program, unfortunately the amount is not sufficient to meet the specific requirements of FDAMA.

I am extremely mindful of the tight allocation under which S. 2159 was crafted, and I recognize that it was not an easy task to bring this bill forward today. I am very grateful for the Subcommittee's efforts under the leadership of Chairman COCHRAN. At the same time, I hope the Chairman will agree with me that funding of this important FDA reform is critically important and that the conferees will try to work this out so that the new program can be implemented next year.

Mr. COCHRAN: The Committee was mindful of this problem, and, in fact, included report language indicating its awareness of the need to implement the premarket notification provisions in order to spur innovation of new and improved food packaging materials. As you said, we are operating under a very tight allocation, but we will do our best to try to work this out.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

The Senator from Mississippi.

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESS NEEDS TO ACT ON ENCRYPTION LEGISLATION

Mr. LOTT. Mr. President, I rise to commend the continuing efforts of America's computer industry to find a technical solution to the encryption issue. On Monday, July 13, a consortium of thirteen high-tech companies announced an alternative to the Administration's proposed key escrow/third party access system. As you will recall, many computer and security exports have stated that key escrow would be an invasion of privacy, technically unworkable, and cost prohibitive.

Unlike the key recovery system advocated by the Administration, industry's ''private doorbells'' approach would not require sensitive encryption keys to be escrowed with third parties in order for law enforcement to gain access to computer messages. Instead, the FBI and other federal, state, and local agencies would be able to combat crime by being provided with court approved, real-time access to communiques at the point where they are sent or at the point where the message is received. Clearly, high-tech executives have not been sitting on the sidelines as the encryption debate continues. As this announcement indicates, the computer industry is working hard to find a balanced solution that ensures the needs of our law enforcement and national security communities while maintaining privacy protections for all U.S. citizens. We owe it to them, and to all Americans, to find a balanced legislative solution to encryption.

Mr. LEAHY. Mr. President, I would also like to applaud the computer industry's efforts to find alternative technical solutions to help law enforcement with the challenge of encrypted data and communications without the need to establish a government-mandated key escrow or key recovery scheme. With the appropriate privacy safeguards in place, as outlined in the E-PRIVACY bill, S.2067, the solution that the companies are proposing appears encouraging. American companies are desperate for a common sense approach to our export policy on encryption. As you are well aware, the Administration, starting with Clipper Chip, has been wedded to key escrow schemes to ensure that the FBI can get access to plaintext, or unscrambled electronic data. This path has been pursued despite the serious questions that experts have raised about the costs, privacy risks and lack of consumer interest in such schemes. As